



**HIGHLY CONFIDENTIAL  
SUBJECT TO PROTECTIVE ORDER**

# Transcript of Katie Lucas Irving

**Date:** November 15, 2021

**Case:** UBS Securities LLC, et al. -v- Highland Capital Management, L.P.

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Transcript of Katie Lucas Irving  
Conducted on November 15, 2021

1 (1 to 4)

1	IN THE UNITED STATES BANKRUPTCY COURT	1	1	APPEARANCES (CONTINUED):	3
2	FOR THE NORTHERN DISTRICT OF TEXAS		2	FOR HIGHLAND CAPITAL MANAGEMENT, L.P.:	
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6	HIGHLAND CAPITAL		6	34th Floor	
7	MANAGEMENT, L.P.,	Case No. 19-34054-SGJ11	7	New York, New York 10017-2024	
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11	UBS AG LONDON BRANCH,		11		
12		Adversary Proceeding	12		
13	Plaintiffs,	No. 21-03020-sgj	13		
14	vs.		14		
15	HIGHLAND CAPITAL		15		
16	MANAGEMENT, L.P.,		16		
17	Defendant.		17		
18	-----		18		
19	HIGHLY CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER		19		
20	VIDEOTAPED DEPOSITION OF		20		
21	KATIE LUCAS IRVING		21		
22	NOVEMBER 15, 2021		22		
23	9:56 A.M. TO 7:09 P.M.		23		
24	Reported By: Kari Behan, CSR, RPR, CRR		24		
25			25		
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2	FOR UBS SECURITIES LLC AND UBS AG LONDON BRANCH:		2		
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<p style="text-align: center;">5</p> <p>1 EXHIBITS (CONTINUED):</p> <p>2 Exhibit 103 E-mail dated 6/20/2019, 171 DISCSEN008408</p> <p>3 Exhibit 104 E-mail dated 10/3/2018, 184 DISCSEN006464</p> <p>4 Exhibit 105 E-mail dated 10/22/2018, 199 DISCSEN007044</p> <p>5 Exhibit 106 E-mail dated August 11th, 225 2017, HCMUBS000565</p> <p>6 Exhibit 107 Letter dated November 17, 242 2015, DISCSEN000097</p> <p>7 Exhibit 108 E-mail dated 3/5/2019, 257 BC SEN000076061</p> <p>8 Exhibit 109 Judgment filed February 10, 311 2020</p> <p>9 Exhibit 110 E-mail dated December 12, 331 2017, HCMUBS002509</p> <p>10 Exhibit 111 E-mail dated 5/9/2019, 346 BC SEN000005065</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: center;">7</p> <p>1 PROCEEDINGS:</p> <p>2 (Monday, November 15, 2021, 9:56 a.m.)</p> <p>3 THE VIDEOGRAPHER: We are now on record.</p> <p>4 The time is 9:56 a.m. on November the 15th, 2021. This</p> <p>5 action -- this case is action -- is entitled "UBS</p> <p>6 Securities, LLC, et al versus Highland Capital Management,</p> <p>7 L.P.," for the United States Bankruptcy Court for the</p> <p>8 Northern District of Texas, Dallas Division, Case</p> <p>9 No. 19-34054-SGJ11. The deponent is Katie Irving.</p> <p>10 Counsel may identify themselves. After</p> <p>11 which, the court reporter will swear in the witness.</p> <p>12 MR. BURT: Jason Burt on behalf of UBS; with</p> <p>13 me is my colleague Shannon McLaughlin.</p> <p>14 MS. SMITH: Frances Smith --</p> <p>15 MR. FEINSTEIN: Robert Feinstein with -- I'm</p> <p>16 sorry. Go ahead.</p> <p>17 MS. SMITH: Frances Smith with Ross &amp; Smith</p> <p>18 on behalf of Mrs. Irving.</p> <p>19 MS. HARTMANN: Michelle Hartmann, Baker</p> <p>20 McKenzie, on behalf of Mrs. Irving.</p> <p>21 MR. FEINSTEIN: Robert Feinstein, Pachulski</p> <p>22 Stang Ziehl &amp; Jones, on behalf of Highland Capital</p> <p>23 Management.</p> <p>24 KATIE LUCAS IRVING,</p> <p>25 after having been first duly sworn by the above-mentioned</p>
<p style="text-align: center;">6</p> <p>1 PREVIOUSLY MARKED EXHIBITS</p> <p>2 EXHIBITS PAGE</p> <p>3 Exhibit 2..... 286 Purchase Agreement</p> <p>4 Exhibit 3..... 342 E-mail dated September 12, 2018 UBSPROD4837351</p> <p>5 Exhibit 9..... 325 E-mail dated August 11, 2017, HCMUBS000574</p> <p>6 Exhibit 14..... 328 E-mail dated August 14, 2017, HCMUBS000853</p> <p>7 Exhibit 28..... 106 E-mail dated April 10, 2019, HCMUBS003123</p> <p>8 Exhibit 48..... 335 Settlement Analysis, USB vs. H, HCMUBS005304</p> <p>9 Exhibit 53..... 318 E-mail dated June 16, 2020, UBSPROD000118</p> <p>10 Exhibit 55..... 294 E-mail dated August 10, 2017, Hcmubs000349</p> <p>11 Exhibit 57..... 275 E-mail dated October 26, 2017, UBSPROD1973053</p> <p>12 Exhibit 58..... 354 Insurance Policy, MD_000010 through MD_000028</p> <p>13 Exhibit 81..... 331 Schedule A</p> <p>14 Exhibit 84..... 368 E-mail dated August 6, 2019, UBSPROD2572283</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: center;">8</p> <p>1 Certified Court Reporter, was examined and testified as</p> <p>2 follows:</p> <p>3 MS. SMITH: Do you mind if I make my couple</p> <p>4 of announcements first?</p> <p>5 MR. BURT: Please, go ahead.</p> <p>6 MS. SMITH: This deposition is subject to</p> <p>7 the confidentiality orders in the case, and we like the</p> <p>8 whole deposition to be marked "Highly Confidential" and</p> <p>9 "Subject to Protective Order."</p> <p>10 To the extent any privilege extends from</p> <p>11 Mrs. Lucas to any third party who is present here, we will</p> <p>12 rely upon the holder of the privilege to assert it. We</p> <p>13 want the record to reflect that Mrs. Lucas is still on her</p> <p>14 unpaid medical leave, but in the spirit of cooperation and</p> <p>15 to avoid further controversy, we have volunteered to</p> <p>16 produce her upon certain agreed-upon conditions today.</p> <p>17 We agree to present her today for up to</p> <p>18 three hours of deposition time, and she will be allowed</p> <p>19 breaks, as necessary. Counsel agreed.</p> <p>20 We agreed to move the deposition back to</p> <p>21 10:00 a.m. to accommodate Latham's request for two hours</p> <p>22 of prep time at Baker's office, and we had Baker attorneys</p> <p>23 and staff available at 8:00. Unfortunately, Latham did</p> <p>24 not show up until 9:10.</p> <p>25 As far as the Zoom, we want everyone who is</p>

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9	1 not a party to the litigation to not appear, and we will 2 object to the presence of anyone who is not a party to the 3 litigation being on the Zoom. To the extent they are on, 4 we ask that Latham abide by the terms of the 5 Confidentiality Agreement and not allow anyone who is not 6 a party access to the documents or the deposition 7 transcript. 8 And that's all my announcements. 9 MR. BURT: And to complete that record, we 10 did agree up to three hours of deposition time today, up 11 to four hours deposition time tomorrow. We spoke with the 12 witness prior to the deposition, and we will play it by 13 ear how long we will go today. 14 Is that right? 15 THE WITNESS: Yes. 16 MR. BURT: Okay. 17 EXAMINATION 18 BY MR. BURT: 19 Q. Mrs. Irving, could you please state and spell 20 your full name for the record? 21 <b>A. Sure. Katie, K-A-T-I-E, Irving, I-R-V-I-N-G.</b> 22 MR. FEINSTEIN: I'm sorry to interrupt. 23 It's Robert Feinstein. I just wanted to make my 24 announcement before we got actually started and get into 25 other matters, as it relates to Frances's comment about	11	1 sure the deposition will proceed much more smoothly than 2 way instead of debating individual points or asking me: 3 Aren't you going to invoke the privilege? So that's my 4 standing position. Thank you. 5 MS. SMITH: Did you get that? 6 THE STENOGRAPHIC REPORTER: He's very 7 difficult. He's -- he's going to speak a lot today? 8 MS. SMITH: No. 9 THE STENOGRAPHIC REPORTER: Okay. All 10 right. I'm ready. 11 BY MR. BURT: 12 Q. Mrs. Irving, what is your address? 13 MS. SMITH: I -- I'm going to object to 14 that. 15 BY MR. BURT: 16 Q. Go ahead and answer. 17 MS. SMITH: We -- we'll be happy to 18 stipulate to her address off the record. 19 BY MR. BURT: 20 Q. I'd like the address on the record, please. 21 <b>A. I'm not comfortable to give that.</b> 22 Q. Okay. You're required, Mrs. Lucas, to answer my 23 questions today, and I ask you to please state your 24 address for the record. 25 <b>A. I understand that. I can ask -- I mean, I can</b>
10	1 privilege. As we have done in all prior depositions in 2 this adversary proceeding, Highland is not going to assert 3 the privilege when it comes to matters relating to the 4 core factual matters in the complaint to transfer assets 5 to Sentinel and so forth. 6 THE STENOGRAPHIC REPORTER: I can't hear 7 him. 8 MR. FEINSTEIN: And unless you hear from me, 9 you should assume that no privilege has been invoked. 10 MS. HARTMANN: Rob -- Rob -- 11 MR. FEINSTEIN: Yes. 12 MS. HARTMANN: -- the court reporter is not 13 hearing you at all. 14 MR. FEINSTEIN: Okay. 15 THE STENOGRAPHIC REPORTER: No. It's hard 16 to hear him. 17 MS. SMITH: It is muffled, yeah. 18 MR. FEINSTEIN: I'll do my best. I'm 19 working on, obviously, a webcam. 20 So let me just state it this way: It is not 21 Highland's intention to invoke the attorney-client 22 privilege on matters that are the core subject matter in 23 the complaint, such as the transfer of assets to Sentinel, 24 and that unless you hear from me invoking the privilege, 25 you should assume that we are not asserting that. And I'm	12	1 <b>confer with counsel, but I'm not comfortable putting that</b> 2 <b>on the record.</b> 3 MR. BURT: Are you -- counsel, are you 4 instructing her not to answer? 5 MS. SMITH: Yes. 6 MR. BURT: On what basis? 7 MS. SMITH: She has two high-risk babies at 8 home, and on a previous deposition, one of the deponents's 9 address was given out to someone not subject to the 10 confidentiality order. So she is happy to give you her 11 address offline, off the record, but she does not want to 12 put it on the record. 13 BY MR. BURT: 14 Q. Mrs. -- Mrs. Irving, have you been deposed 15 before? 16 <b>A. I have.</b> 17 Q. When was that? 18 <b>A. I don't recall exactly. It's been several years</b> 19 <b>ago.</b> 20 Q. How many times have you been deposed? 21 <b>A. One.</b> 22 Q. Okay. And what matter was that? 23 <b>A. It was related to a litigation funding case; it</b> 24 <b>was a patent case.</b> 25 Q. Okay. And on whose behalf did you testify?

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4 (13 to 16)

13	<p>1 <b>A. On the acquirer of the patent who was suing for</b></p> <p>2 <b>infringement matters.</b></p> <p>3 Q. Okay. Did -- did that -- was it a company?</p> <p>4 <b>A. It was a company, but I was not a corporate</b></p> <p>5 <b>representative.</b></p> <p>6 Q. So you testified in your individual capacity?</p> <p>7 <b>A. Yes.</b></p> <p>8 Q. Do you recall what court that was in?</p> <p>9 <b>A. I don't.</b></p> <p>10 Q. Have you ever provided testimony in court?</p> <p>11 <b>A. I have not.</b></p> <p>12 Q. I'd like to go over just a couple of ground</p> <p>13 rules. Since you've depos- -- been deposed before, none</p> <p>14 of these should be new.</p> <p>15 Mrs. Irving, if you don't understand any of</p> <p>16 my questions today, please ask for clarification;</p> <p>17 otherwise, I will assume that you understood the question.</p> <p>18 Is that fair?</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. And we've seen this already. Counsel may object,</p> <p>21 but unless you are instructed not to answer, you are</p> <p>22 required to answer my question.</p> <p>23 Do you understand that?</p> <p>24 <b>A. Yes.</b></p> <p>25 Q. Okay. Do you understand that you have taken an</p>	15	<p>1 first.</p> <p>2 Are they attorneys with Baker &amp; McKenzie?</p> <p>3 <b>A. Yes.</b></p> <p>4 Q. Okay. And -- and Frances is attorney -- an</p> <p>5 attorney with another firm; is that right?</p> <p>6 <b>A. Yes.</b></p> <p>7 Q. Okay. And you met with all three?</p> <p>8 <b>A. I did.</b></p> <p>9 Q. For how long did you meet with them?</p> <p>10 <b>A. I don't recall exactly, likely four or</b></p> <p>11 <b>five hours.</b></p> <p>12 Q. Did you review documents with them?</p> <p>13 <b>A. I did.</b></p> <p>14 Q. About how many documents did you review?</p> <p>15 <b>A. No, I didn't review documents actually. I didn't</b></p> <p>16 <b>review documents with them.</b></p> <p>17 Q. So no documents were discussed?</p> <p>18 <b>A. No documents, no.</b></p> <p>19 Q. Okay.</p> <p>20 <b>A. Well, I said no documents were reviewed;</b></p> <p>21 <b>documents were discussed but not reviewed.</b></p> <p>22 Q. What's the distinction you're trying to make</p> <p>23 there?</p> <p>24 <b>A. The distinction I'm trying to make is they would</b></p> <p>25 <b>say: Do you have any recollection of this? You know,</b></p>
14	<p>1 oath today and that you are testifying under oath?</p> <p>2 <b>A. Yes, I do.</b></p> <p>3 Q. And that your testimony is the same as if it were</p> <p>4 in front of a judge and jury?</p> <p>5 <b>A. Yes.</b></p> <p>6 Q. And you understand that penalties of perjury</p> <p>7 apply to your testimony today?</p> <p>8 <b>A. Yes, I do.</b></p> <p>9 Q. Mrs. Irving, is there anything that would prevent</p> <p>10 you from giving full and complete testimony today?</p> <p>11 <b>A. No.</b></p> <p>12 Q. Going back to the -- the matter in which you were</p> <p>13 deposed, did you testify -- was -- strike that.</p> <p>14 Was HCMLP a party to that case?</p> <p>15 <b>A. It was not.</b></p> <p>16 Q. Mrs. Irving, what did you do to prepare for</p> <p>17 today's deposition?</p> <p>18 <b>A. I met with counsel last week, and that's</b></p> <p>19 <b>basically it.</b></p> <p>20 Q. Okay. And to be clear, I'm not interested in the</p> <p>21 content of those discussions.</p> <p>22 But when you're referring to counsel, who,</p> <p>23 specifically, are you referring to?</p> <p>24 <b>A. Deb, and Michelle and Frances.</b></p> <p>25 Q. Okay. So Deb and Michelle, let's take them</p>	16	<p>1 <b>they may be referring to a note, but I didn't review</b></p> <p>2 <b>documents myself.</b></p> <p>3 Q. So they showed you documents and asked if you had</p> <p>4 a recollection?</p> <p>5 <b>A. No, they did not show me documents. That's the</b></p> <p>6 <b>distinction I'm making.</b></p> <p>7 Q. I see.</p> <p>8 <b>A. Documents were discussed, but I didn't review</b></p> <p>9 <b>them in detail.</b></p> <p>10 Q. So you didn't look at any documents?</p> <p>11 <b>A. I didn't, no, not that I recall.</b></p> <p>12 Q. Mrs. Irving, do you know who is paying for your</p> <p>13 counsel today?</p> <p>14 <b>A. I don't.</b></p> <p>15 Q. You're not paying for them?</p> <p>16 <b>A. I'm not.</b></p> <p>17 Q. Okay. And you don't have any idea who is paying</p> <p>18 for them?</p> <p>19 <b>A. I do not know who is paying for the counsel.</b></p> <p>20 Q. Do you know if you've ever been indemnified by</p> <p>21 any entity --</p> <p>22 MS. SMITH: Object.</p> <p>23 BY MR. BURT:</p> <p>24 Q. -- for your testimony today?</p> <p>25 MS. SMITH: Object to the form of the</p>

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5 (17 to 20)

17	<p>1 question.</p> <p>2 BY MR. BURT:</p> <p>3 Q. You can answer.</p> <p>4 <b>A. Would you repeat that for me, please?</b></p> <p>5 Q. Have you been indemnified in any way for your</p> <p>6 participation in this lawsuit?</p> <p>7 <b>A. I don't know.</b></p> <p>8 Q. No knowledge one way or the other?</p> <p>9 <b>A. I don't know.</b></p> <p>10 Q. Okay. I'd like to show you an exhibit.</p> <p>11 MR. BURT: KL-46.</p> <p>12 We'll mark this as No. 9- -- Exhibit 93.</p> <p>13 (Exhibit 93 was marked for identification.)</p> <p>14 (Off-record discussion.)</p> <p>15 MS. SMITH: Shannon, can you upload the</p> <p>16 exhibits in the chat, please, so that Deb can look at them</p> <p>17 as well?</p> <p>18 MS. MCLAUGHLIN: Yes.</p> <p>19 MS. SMITH: And Eric is -- I think Eric is</p> <p>20 joining. I'd like Eric to be able to look at them.</p> <p>21 BY MR. BURT:</p> <p>22 Q. Mrs. Irving, have you had the chance to look at</p> <p>23 this document?</p> <p>24 <b>A. Yes, I've just reviewed it.</b></p> <p>25 Q. Do you recognize it?</p>	19	<p>1 Q. And at the top, it says "Sentinel Reinsurance,</p> <p>2 Ltd.," correct?</p> <p>3 <b>A. I see that.</b></p> <p>4 Q. All right. Now, drawing your attention to the</p> <p>5 date, it's dated Ap- -- 21-4-2021, correct?</p> <p>6 <b>A. I see that, yes.</b></p> <p>7 Q. And the currency and amount states \$200,000; is</p> <p>8 that right?</p> <p>9 <b>A. I see that.</b></p> <p>10 Q. And the beneficiary is Ross &amp; Smith IOLTA; is</p> <p>11 that correct?</p> <p>12 <b>A. I see that on the page, yes.</b></p> <p>13 Q. Do you know what firm Ross &amp; Smith is?</p> <p>14 <b>A. It's Frances's firm.</b></p> <p>15 Q. Okay.</p> <p>16 MS. SMITH: Excuse me.</p> <p>17 Shannon, can you please upload the document</p> <p>18 to the chat?</p> <p>19 MS. MCLAUGHLIN: It's being uploaded.</p> <p>20 MS. SMITH: Okay.</p> <p>21 BY MR. BURT:</p> <p>22 Q. All right. And you see there below, the</p> <p>23 Beneficiary Bank, there is another bank listed below, is</p> <p>24 that right, with additional wire detail?</p> <p>25 <b>A. I see additional details and a beneficiary bank</b></p>
18	<p>1 <b>A. No, I do not.</b></p> <p>2 Q. Okay. And you see there's a front and a back</p> <p>3 page to this document?</p> <p>4 <b>A. Yes.</b></p> <p>5 Q. Okay. And on the front page, is it correct that</p> <p>6 there is an e-mail at the top with a heading -- or not a</p> <p>7 heading, but a caption of Thomas P. Adamczak, CPA, from</p> <p>8 Beecher Carlson?</p> <p>9 <b>A. I see that on the page, yes.</b></p> <p>10 Q. Do you know who Thomas Adamczak is?</p> <p>11 <b>A. I believe he is an employer of Beecher Carlson.</b></p> <p>12 Q. Have you worked with Mr. Adamczak?</p> <p>13 <b>A. Not -- not that I recall specifically, but the</b></p> <p>14 <b>name is familiar to me.</b></p> <p>15 Q. And do you see below there is an e-mail from</p> <p>16 gps@cibcfcb.com?</p> <p>17 <b>A. I see that.</b></p> <p>18 Q. To Tom Adamczak, correct?</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. Dated April 21st, 2021?</p> <p>21 <b>A. I see that.</b></p> <p>22 Q. Okay. And then looking at the second page, do</p> <p>23 you see it's a Wire Transfer Debit Advice from</p> <p>24 FirstCaribbean International Bank?</p> <p>25 <b>A. I see that.</b></p>	20	<p>1 <b>noted on this page, yes.</b></p> <p>2 Q. Okay. Do you know why Ross &amp; Smith was paid</p> <p>3 \$200,000 in Sentinel?</p> <p>4 <b>A. I don't.</b></p> <p>5 Q. Were you aware of that?</p> <p>6 <b>A. No.</b></p> <p>7 Q. All right. I'd like to show you another exhibit,</p> <p>8 please.</p> <p>9 MR. BURT: We'll go ahead and mark this as</p> <p>10 Exhibit 94.</p> <p>11 (Exhibit 94 was marked for identification.)</p> <p>12 THE WITNESS: Thanks.</p> <p>13 BY MR. BURT:</p> <p>14 Q. Mrs. Irving, have you had a chance to look at</p> <p>15 this exhibit?</p> <p>16 <b>A. Yes, I have.</b></p> <p>17 Q. Now, on the first page, we see, again, that it's</p> <p>18 from gps@cibcfcb.com, correct?</p> <p>19 <b>A. I see that.</b></p> <p>20 Q. To toadamczak@beechercarlson.com?</p> <p>21 <b>A. Yes.</b></p> <p>22 Q. And on the second page, do you see that there's</p> <p>23 another Wire Transfer Debit Advice?</p> <p>24 <b>A. I see that, yes.</b></p> <p>25 Q. From Sentinel Reinsurance, Ltd., correct?</p>

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6 (21 to 24)

21	<p>1 <b>A. I see that.</b></p> <p>2 Q. And the date here is 29-6-2021, correct?</p> <p>3 <b>A. I see that on the page, yes.</b></p> <p>4 Q. And the amount is listed as \$75,854, is that</p> <p>5 right, and 90 cents?</p> <p>6 <b>A. Yes.</b></p> <p>7 Q. The beneficiary, again, is Ross &amp; Smith IOLTA,</p> <p>8 correct?</p> <p>9 <b>A. I see that on the page, yes.</b></p> <p>10 Q. And that's your counsel's firm; is that right?</p> <p>11 <b>A. Yes. That's Frances's firm.</b></p> <p>12 Q. Do you know -- do you know why your counsel was</p> <p>13 paid \$75,000, approximately, in June of this year by</p> <p>14 Sentinel?</p> <p>15 <b>A. I do not.</b></p> <p>16 Q. Were you aware of that?</p> <p>17 <b>A. No.</b></p> <p>18 Q. Were you aware in June of any motions practice in</p> <p>19 the adversary proceeding regarding you?</p> <p>20 <b>A. Was I --</b></p> <p>21 MS. SMITH: Object to the form.</p> <p>22 THE WITNESS: Yeah. Could you repeat that,</p> <p>23 please?</p> <p>24 BY MR. BURT:</p> <p>25 Q. Were you aware of any motions practice in the</p>	23	<p>1 (Brief recess taken.)</p> <p>2 THE VIDEOGRAPHER: Back on record at 10:14</p> <p>3 a.m.</p> <p>4 BY MR. BURT:</p> <p>5 Q. Mrs. Irving, have you had a chance to look at the</p> <p>6 exhibit marked 95?</p> <p>7 <b>A. Yes.</b></p> <p>8 Q. Have you seen this exhibit before?</p> <p>9 <b>A. Not that I recall.</b></p> <p>10 Q. All right. Do you see that it's an Amended</p> <p>11 Notice of Hearing in the United States Bankruptcy Court</p> <p>12 for the Northern District of Texas?</p> <p>13 <b>A. Yes, I see that.</b></p> <p>14 Q. And up at the very top, you see there is a case</p> <p>15 number, a doc number, and then there's a file; then it</p> <p>16 says 05/26/21?</p> <p>17 <b>A. Yes, I see that.</b></p> <p>18 Q. All right. And turning to the second page, it</p> <p>19 states that -- well, actually, we have to go back to the</p> <p>20 first page -- "Please take notice that the following</p> <p>21 matter previously scheduled for hearing on Thursday,</p> <p>22 July 29th, 2021, at 2:30 p.m. in the above-captioned</p> <p>23 bankruptcy case has been rescheduled for Thursday,</p> <p>24 June 24th, 2021, at 2:30 p.m."</p> <p>25 Do you see that?</p>
22	<p>1 adversary proceeding which affected you and subpoenas</p> <p>2 which had been issued to you?</p> <p>3 <b>A. I know that there were subpoenas issued. I don't</b></p> <p>4 <b>recall when it was.</b></p> <p>5 <b>As you're aware, I have been out on leave</b></p> <p>6 <b>for several months, and I -- I don't know the details.</b></p> <p>7 MR. BURT: Let's do 49.</p> <p>8 We can mark this, please, as 95.</p> <p>9 (Exhibit 95 was marked for identification.)</p> <p>10 THE WITNESS: Thank you.</p> <p>11 MS. SMITH: Shannon, they're saying none of</p> <p>12 the documents are showing up in the chat.</p> <p>13 MS. MCLAUGHLIN: I'm being told that they</p> <p>14 have been loaded into the chat.</p> <p>15 MS. SMITH: Can you see them on the chat?</p> <p>16 MS. MCLAUGHLIN: I'm not logged into Zoom</p> <p>17 because I'm in the room.</p> <p>18 MS. DANDENEAU: This is Deb Dandeneau. I --</p> <p>19 I am logged in, and I don't see anything in the chat.</p> <p>20 MR. BURT: Do you want us to go off the</p> <p>21 record and get them in the chat before I --</p> <p>22 MS. SMITH: Yes, please.</p> <p>23 MR. BURT: Okay.</p> <p>24 THE VIDEOGRAPHER: We are off record at</p> <p>25 10:12 a.m.</p>	24	<p>1 <b>A. Yes, I see that.</b></p> <p>2 Q. Were you aware that a hearing had been set in</p> <p>3 this case for June 24th, 2021?</p> <p>4 <b>A. Not that I recall.</b></p> <p>5 Q. Okay. And below that, there's a Number 1, and it</p> <p>6 says, "Motion of Former Employees to Quash Subpoenas and</p> <p>7 Brief in Support..."</p> <p>8 And it states, "The Hearing on the Motion</p> <p>9 will be held before The Honorable Stacey G.C. Jernigan,</p> <p>10 United States Bankruptcy Judge," and it goes on to list</p> <p>11 her address.</p> <p>12 You see that?</p> <p>13 <b>A. I see that, yes.</b></p> <p>14 Q. Were you aware of the Motion to Quash subpoenas</p> <p>15 that had been issued to you in this matter?</p> <p>16 <b>A. I believe I was aware of it, yes.</b></p> <p>17 Q. Okay. What was your understanding of that</p> <p>18 motion?</p> <p>19 <b>A. That counsel was handling whatever counsel needed</b></p> <p>20 <b>to handle. I wasn't intimately involved in any of this.</b></p> <p>21 Q. Did you have any idea of what that motion was?</p> <p>22 MS. SMITH: Objection to the extent it</p> <p>23 requires her to give privileged information.</p> <p>24 BY MR. BURT:</p> <p>25 Q. I'm not asking for any privileged information;</p>

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7 (25 to 28)

25	<p>1 I'm asking for your knowledge.</p> <p>2 <b>A. Could you repeat that for me, please?</b></p> <p>3 Q. Did you have any understanding of what that</p> <p>4 motion was?</p> <p>5 <b>A. I -- I don't think I understand your question.</b></p> <p>6 <b>It was a Motion to Quash, right?</b></p> <p>7 Q. Right.</p> <p>8 You had received a subpoena in this case,</p> <p>9 correct?</p> <p>10 <b>A. Yes.</b></p> <p>11 Q. The subpoena asked for you to produce documents,</p> <p>12 correct?</p> <p>13 <b>A. Yes.</b></p> <p>14 Q. It also asked for you to sit for deposition,</p> <p>15 didn't it?</p> <p>16 <b>A. I don't know.</b></p> <p>17 Q. You don't know that?</p> <p>18 <b>A. I don't know.</b></p> <p>19 Q. Okay. And you're aware that your attorney had</p> <p>20 filed a Motion to Quash that subpoena; is that right?</p> <p>21 <b>A. Yes.</b></p> <p>22 Q. And was that attorney Ms. Smith, who is sitting</p> <p>23 here today?</p> <p>24 <b>A. I don't know.</b></p> <p>25 Q. You don't know if she was the attorney who moved</p>	27	<p>1 MR. BURT: 49.</p> <p>2 BY MR. BURT:</p> <p>3 Q. Keep that exhibit handy.</p> <p>4 MR. BURT: Mark this as 96?</p> <p>5 THE STENOGRAPHIC REPORTER: 96.</p> <p>6 (Exhibit 96 was marked for identification.)</p> <p>7 THE WITNESS: Thanks.</p> <p>8 BY MR. BURT:</p> <p>9 Q. Mrs. Irving, let me know when you've had a chance</p> <p>10 to review this exhibit.</p> <p>11 <b>A. Okay. I will.</b></p> <p>12 (Witness reviews document.) Okay.</p> <p>13 Q. Have you seen this e-mail chain before?</p> <p>14 <b>A. No.</b></p> <p>15 Q. All right. Going to the second page, you see at</p> <p>16 the very bottom, it's an e-mail -- this e-mail chain</p> <p>17 begins with an e-mail from Gareth Pereira from Beecher</p> <p>18 Carlson.</p> <p>19 Do you know who Mr. Pereira is?</p> <p>20 <b>A. I don't.</b></p> <p>21 Q. And it's sent to a cmc -- mcdonald@calderwood.ky,</p> <p>22 and it looks like his name is Casey.</p> <p>23 Do you know who that is referring to?</p> <p>24 <b>A. I don't.</b></p> <p>25 Q. Do you know what Calderwood is?</p>
26	<p>1 to quash?</p> <p>2 <b>A. I don't know.</b></p> <p>3 <b>As you know, I've been out on leave, and I</b></p> <p>4 <b>-- I don't know the details of who filed what motion or</b></p> <p>5 <b>what the -- I mean, counsel handled this for me, and I</b></p> <p>6 <b>haven't spoken to counsel very much, honestly. I trust</b></p> <p>7 <b>that they'll handle it in a way that's appropriate.</b></p> <p>8 Q. Okay. And again, without revealing any contents</p> <p>9 of what was discussed, did counsel -- did -- did you</p> <p>10 discuss this motion with counsel?</p> <p>11 MS. SMITH: Objection.</p> <p>12 THE WITNESS: I don't recall.</p> <p>13 BY MR. BURT:</p> <p>14 Q. Okay. And when you're referring to "counsel,"</p> <p>15 are you referring solely to Ms. Smith or also the</p> <p>16 attorneys from Baker &amp; McKenzie?</p> <p>17 <b>A. My discussions have been with Ms. Smith</b></p> <p>18 <b>primarily.</b></p> <p>19 Q. All right. Now, "primarily." Totally or --</p> <p>20 <b>A. Primarily because we met to prep for depo this</b></p> <p>21 <b>prior week.</b></p> <p>22 Q. Prior to meeting to prep for depo, had you had</p> <p>23 any discussions with attorneys from Baker &amp; McKenzie?</p> <p>24 <b>A. I don't remember.</b></p> <p>25 Q. Okay.</p>	28	<p>1 <b>A. I believe it's a independent director firm in</b></p> <p>2 <b>Cayman.</b></p> <p>3 Q. Have you ever worked with Calderwood?</p> <p>4 <b>A. Not that I recall, no.</b></p> <p>5 Q. Do you know what it did?</p> <p>6 <b>A. I'm not understanding your question.</b></p> <p>7 Q. What business was Calderwood in?</p> <p>8 <b>A. I believe it's a independent director business in</b></p> <p>9 <b>Cayman.</b></p> <p>10 Q. In addition to that, do -- do you know anything</p> <p>11 else that it was doing?</p> <p>12 <b>A. I don't.</b></p> <p>13 Q. All right. And it cc's here a stephenleontsinis@</p> <p>14 collascrill.com.</p> <p>15 Do you know who that is?</p> <p>16 <b>A. Yes. Stephen Leontsinis is counsel at Collas</b></p> <p>17 <b>Crill in Cayman.</b></p> <p>18 Q. All right. Have you worked with him before?</p> <p>19 <b>A. I have.</b></p> <p>20 Q. In what capacity?</p> <p>21 <b>A. I worked with him on a Cayman bank liquidation.</b></p> <p>22 <b>He was counsel that assisted in -- assisted in the</b></p> <p>23 <b>bankruptcy insolvency case there.</b></p> <p>24 Q. He was counsel for whom?</p> <p>25 <b>A. He was counsel for -- I'm trying to remember -- I</b></p>



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8 (29 to 32)

29	<p>1 <b>don't remember exactly how he was engaged, but I worked</b> 2 <b>closely with him on some assets that were out of this</b> 3 <b>Cayman insolvency.</b> 4 Q. Did he represent Highland Capital Management? 5 <b>A. I don't -- not to my knowledge and not related to</b> 6 <b>the case I'm referencing.</b> 7 Q. Did he represent -- do you know if he's ever 8 represented Highland Capital Management? 9 <b>A. I don't know.</b> 10 Q. Does he -- has he represented any of the SAS 11 entities? 12 MS. SMITH: Objection to form. 13 THE WITNESS: I don't know. 14 BY MR. BURT: 15 Q. How about Sentinel, has he represented Sentinel? 16 <b>A. I don't know.</b> 17 Q. The next person on this e-mail chain is Matt 18 DiOrio. 19 Who is that? 20 <b>A. He was a colleague of mine.</b> 21 Q. At which company? 22 <b>A. He was employed by Highland Capital Management,</b> 23 <b>L.P.</b> 24 Q. What was his job there? 25 <b>A. He was a managing director.</b></p>	31	<p>1 MS. SMITH: Objection, form. 2 THE WITNESS: It appears that way. 3 BY MR. BURT: 4 Q. All right. And this e-mail was, again, to Casey 5 McDonald and cc's a number of people; is that right? 6 <b>A. I see that, yes.</b> 7 Q. Including Matt DiOrio; is that right? 8 <b>A. I see him on the paper, yes.</b> 9 Q. Okay. And he says, "Good morning Casey. 10 Following on from last week, please can you provide your 11 approval through e-mail and also release the following 12 payments that have been set up in CIBC for Sentinel." 13 First one listed there is "Ross &amp; Smith - 14 Legal expenses - \$75,854.90." 15 Do you see that? 16 <b>A. I see that.</b> 17 Q. And if we go back to Exhibit 94, the second CIBC 18 wire instruction, do you see what amount is listed there? 19 <b>A. I see it.</b> 20 Q. And what amount is that? 21 <b>A. \$75,924.90 is the total cost, made up of two</b> 22 <b>components: \$75,854.90 and a commission, which I assume</b> 23 <b>is a fee of \$70 USD.</b> 24 Q. Okay. So looking at the Wire Transfer Debit 25 Advice and the e-mail that Mr. Pereira sent on June 24th,</p>
30	<p>1 Q. In what department did he work? 2 <b>A. Legal.</b> 3 Q. Is that the department you worked in as well? 4 <b>A. Yes.</b> 5 Q. You are not an attorney, are you? 6 <b>A. I am not an attorney.</b> 7 Q. Nor is Mr. DiOrio, correct? 8 <b>A. He is not an attorney.</b> 9 Q. All right. Then we see Mr. Adamczak again from 10 Beecher Carlson. 11 Moving to the e-mail that's just above 12 that -- you have to go to the first page to see where that 13 begins -- this is another e-mail from Gareth Pereira on 14 Thursday, the 24th of June, 2021; is that right? 15 <b>A. I see it on the paper, yes.</b> 16 Q. Okay. So referring back to Exhibit 94 -- excuse 17 me -- 95, the Amended Notice of Hearing. 18 <b>A. Oh, yes.</b> 19 Q. What was the date of that hearing, if you look at 20 the second page? 21 <b>A. Looks like the hearing was rescheduled for</b> 22 <b>Thursday, June 24th, 2021, at 2:30 p.m.</b> 23 Q. So the same day that Mr. Pereira was sending this 24 e-mail, correct? 25 <b>A. It appears that --</b></p>	32	<p>1 it appears that he's requesting approval for that 2 \$75,854.90 legal expense to be paid; is that right? 3 MS. SMITH: Objection to form. 4 THE WITNESS: It appears that way. 5 BY MR. BURT: 6 Q. And if you see up above in the chain, 7 Mr. McDonald responds -- he says, "Thanks, Gareth. I can 8 go in and approve, but as Wade and I don't have any 9 visibility into the legal bill, I'd appreciate Matt 10 confirming it's all in order and should be settled. And 11 as it's for US counsel, am I right in thinking that it is 12 coming out of the prefunded risk mitigation balance? Or 13 is there any additional background we could get on this 14 expense?" 15 You see that? 16 <b>A. I see it.</b> 17 Q. And then looking at the top e-mail, you see that 18 it's an e-mail from Mr. DiOrio? 19 <b>A. I see it.</b> 20 Q. And it's to Casey McDonald, correct -- 21 <b>A. Yes.</b> 22 Q. -- cc'ing, among others, Gareth Pereira and 23 Stephen Leontsinis at Collas Crill; is that right? 24 <b>A. Among others, yes.</b> 25 Q. And then Mr. DiOrio states, "This is an order and</p>

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9 (33 to 36)

33	<p>1 should be settled. The company indemnified a group of 2 former employees, myself included, a while back, and it 3 relates to our defense with respect to today's hearing 4 that I mentioned." 5 Is that what Mr. DiOrio wrote? 6 <b>A. I see it, yes.</b> 7 Q. Okay. And "today's hearing," do you recall we 8 looked at Exhibit 95, the hearing scheduled for June 24th 9 relating to the Motion to Quash, correct? 10 MS. SMITH: Objection to form. 11 THE WITNESS: Sorry. Can you tell me what 12 you're asking me? 13 BY MR. BURT: 14 Q. Sure. Let's look at the exhibit. 15 Exhibit 95, the Amended Notice of Hearing, 16 do you see that? And we've looked now twice. On page 2, 17 there was the Hearing on the Motion to Quash Subpoenas of 18 Former Employees scheduled for June 24th, 2021; is that 19 right? 20 <b>A. Yes.</b> 21 Q. And on this same day in the e-mail, in 22 Exhibit 96, Mr. DiOrio is stating that "the company 23 indemnified a group of former employees, myself included, 24 a while back, and it relates to our defense with respect 25 to today's hearing that I mentioned;" is that right?</p>	35	<p>1 related to the entity which is sending the wire here, 2 Sentinel Reinsurance, Ltd. 3 BY MR. BURT: 4 Q. So your -- your guess is that Sentinel was 5 indemnifying a group of former employees, himself 6 included? 7 MS. SMITH: Objection to form. 8 THE WITNESS: If you're -- if you're 9 referencing Sentinel Reinsurance, Ltd., you could infer 10 that from these documents, but I don't have knowledge of 11 it, other than the documents you've just presented to me. 12 BY MR. BURT: 13 Q. Have you ever been told that you have been 14 indemnified? 15 <b>A. By any company, ever?</b> 16 Q. In relation to this lawsuit, have you ever been 17 told that you were indemnified? 18 <b>A. I don't recall.</b> 19 Q. You don't recall ever having been told that? 20 MS. SMITH: Objection to form. 21 THE WITNESS: I don't. 22 BY MR. BURT: 23 Q. Okay. How is it that you're not paying for your 24 own legal -- your own counsel? 25 <b>A. I don't know.</b></p>
34	<p>1 <b>A. Yes, I see that.</b> 2 Q. Okay. So it appears that Mr. DiOrio was 3 referring to the hearing on the Motion to Quash held on 4 June 24th, 2021? 5 MS. SMITH: Objection to form. 6 THE WITNESS: You would have to assume that. 7 I don't know. 8 BY MR. BURT: 9 Q. Was there any other hearing that you were aware 10 of? 11 <b>A. I don't know.</b> 12 Q. He states, "The company indemnified a group of 13 former employees." 14 Do you know what company he was referring 15 to? 16 MS. SMITH: Objection to form. 17 THE WITNESS: I don't. I would have to 18 assume. 19 BY MR. BURT: 20 Q. You would have to guess? 21 <b>A. Yes, I would have to assume.</b> 22 Q. Okay. And what is your guess as to what company 23 he was referring to? 24 MS. SMITH: Objection to form. 25 THE WITNESS: My sense is that it would be</p>	36	<p>1 Q. Who told you that someone else would pay for your 2 counsel? 3 MS. SMITH: Objection to form. 4 THE WITNESS: I don't think I ever really 5 thought about it, honestly. 6 BY MR. BURT: 7 Q. You never thought about who would pay for your 8 attorneys? 9 <b>A. No.</b> 10 Q. Not once? 11 MS. SMITH: Objection to form. 12 THE WITNESS: I said no. No, I haven't 13 thought about it. 14 BY MR. BURT: 15 Q. You just assumed someone would pay for it? 16 MS. SMITH: Objection to form. 17 THE WITNESS: I haven't thought about it. 18 BY MR. BURT: 19 Q. Are you a former employee of Sentinel? 20 <b>A. No. I have not ever been an employee of</b> 21 <b>Sentinel.</b> 22 Q. Have you ever attended a board meeting of 23 Sentinel? 24 <b>A. Not that I recall.</b> 25 Q. Do you recall ever hav- -- I just want to be</p>

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10 (37 to 40)

37	<p>1 clear on the record. You don't ever recall having</p> <p>2 attending a board meeting for Sentinel?</p> <p>3 <b>A. I've attended meetings for Sentinel; I don't know</b></p> <p>4 <b>if any were classified as a -- as a board meeting in</b></p> <p>5 <b>however you're defining a board meeting, but I don't</b></p> <p>6 <b>recall a specific board meeting that I was attending.</b></p> <p>7 Q. So you don't understand what I mean when I say</p> <p>8 "board meeting"?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: No, I don't know what you're</p> <p>11 -- what you're referencing, whether you're thinking of</p> <p>12 another meeting. I've attended meetings for Sentinel, but</p> <p>13 not that I can recall as a -- as a board meeting.</p> <p>14 BY MR. BURT:</p> <p>15 Q. Okay. Now, when I say "board meeting," I -- I'm</p> <p>16 referring to a meeting of the board of directors of</p> <p>17 Sentinel in its official capacity.</p> <p>18 Do you have that definition in mind?</p> <p>19 <b>A. I understand what you're saying, yes.</b></p> <p>20 Q. Okay. Now, with that definition in mind, do you</p> <p>21 recall ever having attended such a meeting on behalf of</p> <p>22 Sentinel or for Sentinel?</p> <p>23 <b>A. I don't. I don't.</b></p> <p>24 Q. Okay. What meetings did you attend?</p> <p>25 <b>A. I attended a meeting with CIMA, which is the</b></p>	39	<p>1 Q. Did CIMA have a request that Sentinel do that?</p> <p>2 <b>A. Yes.</b></p> <p>3 Q. And why is that?</p> <p>4 <b>A. I don't know.</b></p> <p>5 Q. They never told you why they wanted you to do</p> <p>6 that?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: My sense was they wanted it</p> <p>9 simplified. I don't have any further knowledge as to any</p> <p>10 motivation beyond that.</p> <p>11 BY MR. BURT:</p> <p>12 Q. At that meeting, CIMA never explained why they</p> <p>13 wanted the -- the Sentinel structure simplified?</p> <p>14 <b>A. They wanted it simplified. I assume they thought</b></p> <p>15 <b>it was too complex. I don't know.</b></p> <p>16 Q. So I'm just trying to understand what the</p> <p>17 regulator in the Cayman Islands told Sentinel when it was</p> <p>18 -- when it told it to simplify. I would -- I would guess</p> <p>19 that they would have a reason for that, and I'm just</p> <p>20 trying to get your best knowledge as to what that reason</p> <p>21 was.</p> <p>22 <b>A. My best knowledge is that CIMA wanted it</b></p> <p>23 <b>streamlined -- wanted the structure of Sentinel</b></p> <p>24 <b>Reinsurance, Ltd., streamlined or simplified. I don't --</b></p> <p>25 <b>I don't know why they wanted it simplified. You would</b></p>
38	<p>1 <b>Cayman Islands Monetary Authority, in relation to</b></p> <p>2 <b>Sentinel, and I would ad hoc attend meetings either with</b></p> <p>3 <b>the administrator, or sometimes a board member would be</b></p> <p>4 <b>on.</b></p> <p>5 <b>I don't know if it was officially a board</b></p> <p>6 <b>meeting. I know there's certain corporate, you know,</b></p> <p>7 <b>oversights that have to be in place for it to be an</b></p> <p>8 <b>official board meeting. But I -- I have attended meetings</b></p> <p>9 <b>in relation to Sentinel, yes.</b></p> <p>10 Q. And why did you attend those meetings?</p> <p>11 <b>A. Really just to run backup for -- for taking down</b></p> <p>12 <b>what requests were needed, what follow-ups were needed. I</b></p> <p>13 <b>had legacy knowledge of the structure for Sentinel in</b></p> <p>14 <b>various tax restructuring, tax matters. So it was helpful</b></p> <p>15 <b>sometimes for me to sit in.</b></p> <p>16 Q. How many meetings with CIMA did you attend?</p> <p>17 <b>A. I believe two.</b></p> <p>18 Q. When were they?</p> <p>19 <b>A. The one I remember was -- distinctly was in</b></p> <p>20 <b>August of 2019. And I believe there was another one, but</b></p> <p>21 <b>I can't recall when it was.</b></p> <p>22 Q. And what were these meetings all about with CIMA?</p> <p>23 <b>A. The one in August of 2019 was in reference to</b></p> <p>24 <b>simplifying the Sentinel structure, the corporate</b></p> <p>25 <b>structure.</b></p>	40	<p>1 <b>have to ask someone at CIMA.</b></p> <p>2 Q. Did CIMA ever provide a document that explained</p> <p>3 what it wanted to Sentinel?</p> <p>4 <b>A. Did it --</b></p> <p>5 MS. SMITH: Objection to form.</p> <p>6 THE WITNESS: Could you repeat that? Sorry.</p> <p>7 BY MR. BURT:</p> <p>8 Q. Did CIMA ever provide a document, a letter, a</p> <p>9 memo, anything like that, to Sentinel explaining why it</p> <p>10 wanted it simplified?</p> <p>11 MS. SMITH: Objection to form.</p> <p>12 THE WITNESS: I believe there was</p> <p>13 correspondence, but I wasn't directly involved in that.</p> <p>14 BY MR. BURT:</p> <p>15 Q. Did you ever see the correspondence?</p> <p>16 <b>A. I don't recall specifically.</b></p> <p>17 Q. Did you ever have any follow-up tasks to respond</p> <p>18 or do anything in -- in -- pursuant to a CIMA request?</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. What was that?</p> <p>21 <b>A. I took a look -- utilizing my legacy knowledge of</b></p> <p>22 <b>the structure, I took a look to see if it was feasible to,</b></p> <p>23 <b>you know, liquidate certain entities or, in some way,</b></p> <p>24 <b>follow the direction of the regulator to simplify the</b></p> <p>25 <b>structure.</b></p>

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11 (41 to 44)

41	<p>1 Q. Is that all you did?</p> <p>2 <b>A. I would speak with outside tax counsel. I don't</b></p> <p>3 <b>have direct knowledge of that. So I would talk to outside</b></p> <p>4 <b>tax counsel to see: Is this a possible option?</b></p> <p>5 <b>Obviously, we wanted to comply with the</b></p> <p>6 <b>request of the regulator in Cayman.</b></p> <p>7 Q. Do you know if Sen- -- if Sentinel ever provided</p> <p>8 responses or any form -- or any letter back to CIMA for</p> <p>9 following up on its requests?</p> <p>10 MS. SMITH: Objection to form.</p> <p>11 THE WITNESS: Presumably, but I don't know</p> <p>12 for sure. That would be something likely handled by the</p> <p>13 administrator at Beecher Carlson.</p> <p>14 BY MR. BURT:</p> <p>15 Q. Did you ever have any role in drafting anything</p> <p>16 that went back to Sentinel -- or to CIMA?</p> <p>17 MS. SMITH: Objection to form.</p> <p>18 THE WITNESS: Not that I recall.</p> <p>19 BY MR. BURT:</p> <p>20 Q. Okay. Well, we're going to come back to that.</p> <p>21 So looking back at Exhibit 96, were you</p> <p>22 aware that Mr. DiOrio had been indemnified by a company?</p> <p>23 <b>A. No.</b></p> <p>24 Q. And it states that it relates to our defense with</p> <p>25 respect to today's hearing.</p>	43	<p>1 MS. SMITH: Objection to form.</p> <p>2 THE WITNESS: Not that I recall, no.</p> <p>3 BY MR. BURT:</p> <p>4 Q. How about with Mr. Leventon, did you ever discuss</p> <p>5 with him that you'd received a subpoena?</p> <p>6 <b>A. No.</b></p> <p>7 Q. How about Mr. Sevilla?</p> <p>8 <b>A. No, not that I recall.</b></p> <p>9 Q. How about Mr. Ellington, did you ever discuss</p> <p>10 with him that you received a subpoena?</p> <p>11 <b>A. No, not that I recall.</b></p> <p>12 Q. How about Mr. Dondero?</p> <p>13 <b>A. No.</b></p> <p>14 Q. Did you ever speak with any of those individuals</p> <p>15 that I just mentioned on the fact that you had been</p> <p>16 subpoenaed for deposition?</p> <p>17 <b>A. Not that I recall.</b></p> <p>18 Q. Okay. Has any one of those individuals -- for</p> <p>19 the record, Mr. Ellington, Mr. Dondero, Mr. Leventon,</p> <p>20 Mr. Sevilla, or Mr. DiOrio, has any one of those</p> <p>21 individuals ever promised you anything in relation to this</p> <p>22 -- to the bankruptcy proceedings and your testimony?</p> <p>23 <b>A. No. No.</b></p> <p>24 Q. Or the documents that you produced?</p> <p>25 <b>A. No.</b></p>
42	<p>1 Did you ever have any discussions with</p> <p>2 Mr. DiOrio about "our" defense?</p> <p>3 <b>A. Not that I recall.</b></p> <p>4 Q. Have you ever spoken with Mr. DiOrio at all about</p> <p>5 the bankruptcy proceeding?</p> <p>6 <b>A. It's a very general question. We worked</b></p> <p>7 <b>together, you know, as Highland was in bankruptcy,</b></p> <p>8 <b>Highland Capital Management, L.P.</b></p> <p>9 Q. So the answer is "yes"?</p> <p>10 <b>A. Could you maybe make your question a bit more</b></p> <p>11 <b>specific?</b></p> <p>12 Q. Well, see, I'm just asking a broad question</p> <p>13 first, and then I'll drill down. Is that fair?</p> <p>14 <b>A. Sure.</b></p> <p>15 Q. Okay. So my broad question is: Did you ever</p> <p>16 have discussions with Mr. DiOrio about the bankruptcy</p> <p>17 proceeding?</p> <p>18 <b>A. Surely, I did.</b></p> <p>19 Q. Okay. And do you recall any of those</p> <p>20 discussions?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 THE WITNESS: Not specifically.</p> <p>23 BY MR. BURT:</p> <p>24 Q. Okay. Did you ever discuss with Mr. DiOrio, for</p> <p>25 example, the fact that you received a subpoena?</p>	44	<p>1 Q. Do you currently work for Mr. Ellington?</p> <p>2 <b>A. I'm on unpaid leave with Skyview.</b></p> <p>3 Q. And does he own Skyview?</p> <p>4 <b>A. I don't know.</b></p> <p>5 Q. Does -- does -- do you work for him -- do you</p> <p>6 report -- when you go back, will you report to</p> <p>7 Mr. Ellington at Skyview?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 THE WITNESS: I don't know. It hasn't been</p> <p>10 decided to my knowledge; I don't know.</p> <p>11 BY MR. BURT:</p> <p>12 Q. Is Mr. Ellington affiliated with Skyview, to your</p> <p>13 knowledge?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 THE WITNESS: I don't know what you mean by</p> <p>16 "affiliated," but I think he is somewhat involved with</p> <p>17 Skyview.</p> <p>18 BY MR. BURT:</p> <p>19 Q. Do you know if he owns it?</p> <p>20 <b>A. I don't know, no. You asked me that earlier. I</b></p> <p>21 <b>don't know.</b></p> <p>22 Q. Do you know if Mr. Dondero owns it?</p> <p>23 <b>A. I don't know.</b></p> <p>24 Q. Okay. So to be clear, you are not aware of ever</p> <p>25 having been offered an indemnification in this case?</p>

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12 (45 to 48)

45	<p>1     <b>A. Not that I recall.</b></p> <p>2     Q. And you have no knowledge of how it came to be</p> <p>3     that someone else is paying for your legal counsel?</p> <p>4     <b>A. Honestly, no. I'm not an attorney, and I haven't</b></p> <p>5     <b>really been in the nitty-gritty on this. I have been out</b></p> <p>6     <b>on unpaid leave.</b></p> <p>7     Q. Well, you're a CPA, aren't you?</p> <p>8     <b>A. I am, yeah.</b></p> <p>9     Q. Okay. And you have a background in finance?</p> <p>10    <b>A. Yes.</b></p> <p>11    Q. Who pays the bills of something that you, I</p> <p>12    assume, care about as a CPA?</p> <p>13       MS. SMITH: Objection to form.</p> <p>14       THE WITNESS: Who pays the bills that I care</p> <p>15    about as a CPA?</p> <p>16    BY MR. BURT:</p> <p>17    Q. Who pays the bills is something, I would think,</p> <p>18    as a CPA you care about?</p> <p>19       MS. SMITH: Objection to form.</p> <p>20       THE WITNESS: I don't know who pays the</p> <p>21    bills. For this matter, presumably, you're asking me</p> <p>22    about, I don't know.</p> <p>23    BY MR. BURT:</p> <p>24    Q. So you didn't know that Sentinel was paying --</p> <p>25    <b>A. No. I don't know.</b></p>	47	<p>1     Q. You don't have any facts that would dispute what</p> <p>2     we have looked at in these documents, do you?</p> <p>3       MS. SMITH: Objection, form. She's</p> <p>4     answered.</p> <p>5     BY MR. BURT:</p> <p>6     Q. You can answer.</p> <p>7     <b>A. I don't really know what you're asking me.</b></p> <p>8     Q. You don't have any facts to give us today that</p> <p>9     would dispute that Sentinel is paying for your</p> <p>10    representation here today?</p> <p>11       MS. SMITH: Objection, form; asked and</p> <p>12    answered.</p> <p>13       THE WITNESS: No. You've showed me</p> <p>14    documentation here. I don't have other information about</p> <p>15    it, no.</p> <p>16       MS. SMITH: Katie, are you doing okay?</p> <p>17       THE WITNESS: Yeah, I'm okay.</p> <p>18       MS. SMITH: You need a break?</p> <p>19       THE WITNESS: Thank you.</p> <p>20       MR. BURT: Yeah. Whenever you need a break,</p> <p>21    that's fine.</p> <p>22       MS. SMITH: Let's take a break.</p> <p>23       THE VIDEOGRAPHER: We are off the record at</p> <p>24    10:38 a.m.</p> <p>25       (Brief recess taken.)</p>
46	<p>1     Q. -- for your representation in this adversary</p> <p>2     proceeding --</p> <p>3     <b>A. Now I know.</b></p> <p>4     Q. -- you didn't know that?</p> <p>5     <b>A. You showed me documentation, but no.</b></p> <p>6     Q. So you know it now?</p> <p>7     <b>A. Yes. You just showed me documentation of it.</b></p> <p>8     Q. And you don't have any reason to disagree that</p> <p>9     Sentinel is paying for your representation in this</p> <p>10    adversary proceeding --</p> <p>11       MS. SMITH: Objection to form.</p> <p>12       MR. BURT: Excuse me. Let me finish my</p> <p>13    question.</p> <p>14    BY MR. BURT:</p> <p>15    Q. You don't have any reason -- now I'll have to</p> <p>16    start over.</p> <p>17       You don't have any reason to disagree that</p> <p>18    Sentinel is paying for your representation in this</p> <p>19    adversary proceeding, do you?</p> <p>20       MS. SMITH: Objection to form.</p> <p>21       THE WITNESS: Do I have a reason to</p> <p>22    disagree?</p> <p>23    BY MR. BURT:</p> <p>24    Q. Yeah.</p> <p>25    <b>A. I don't know.</b></p>	48	<p>1       THE VIDEOGRAPHER: Back on the record at</p> <p>2    10:53 a.m.</p> <p>3    BY MR. BURT:</p> <p>4     Q. Mrs. Irving, do you have an engagement letter</p> <p>5    with Ross &amp; Smith?</p> <p>6     <b>A. I don't know.</b></p> <p>7     Q. How about with Baker?</p> <p>8     <b>A. I don't know.</b></p> <p>9     Q. You've never signed an engagement letter, to your</p> <p>10    knowledge?</p> <p>11       MS. SMITH: Objection to form.</p> <p>12       THE WITNESS: I don't recall. But it hasn't</p> <p>13    been really my highest priority. I have been out on -- on</p> <p>14    leave, and I -- I don't know. I don't recall.</p> <p>15    BY MR. BURT:</p> <p>16    Q. And I understand that, and I'm just asking for</p> <p>17    your best recollection.</p> <p>18       And so what -- you don't recall ever having</p> <p>19    signed an engagement letter?</p> <p>20    <b>A. Correct. I don't recall.</b></p> <p>21    Q. Okay. And it is correct that you are not</p> <p>22    personally paying for the representation?</p> <p>23       MS. SMITH: Objection to form.</p> <p>24       THE WITNESS: Correct, I'm not paying right</p> <p>25    now, no.</p>

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13 (49 to 52)

49	1 BY MR. BURT: 2 Q. Okay. Do you have any knowledge why Sentinel is 3 paying the bills? 4 <b>A. I don't know.</b> 5 MS. SMITH: Objection to form. 6 MR. BURT: All right. We've marked the next 7 exhibit as 97. 8 (Exhibit 97 was marked for identification.) 9 BY MR. BURT: 10 Q. Go ahead and take a look at this e-mail chain, 11 and let me know when you're ready. 12 <b>A. (Witness reviews document.) Okay.</b> 13 Q. We've seen this name a couple of times, Thomas 14 Adamczak, that's on this e-mail, and I believe you 15 testified, and correct me if I'm wrong, that he is with 16 Beecher Carlson; is that right? 17 <b>A. Yes, I believe so.</b> 18 Q. And what is your understanding of the 19 relationship between Beecher Carlson and Sentinel? 20 <b>A. Beecher Carlson acts as the administrator for</b> 21 <b>Sentinel. I don't know if they currently do. At one</b> 22 <b>point, they acted as the administrator for Sentinel.</b> 23 Q. And at what point in time were you aware that 24 they were acting as the administrator? 25 <b>A. I don't recall specifically.</b>	50
1 Q. When you've referred to the administrator of 2 Sentinel in -- in prior testimony today, you were 3 referring to Beecher Carlson; is that right? 4 <b>A. Yes.</b> 5 Q. Okay. So looking at this e-mail chain, the 6 bottom of page 1 begins with an e-mail from an 7 mdiorio@blacklandassociates.com. 8 Do you know whether that refers to Matt 9 DiOrio? 10 <b>A. He signed the e-mail Matt DiOrio, so I would</b> 11 <b>assume so.</b> 12 Q. Okay. Do you know what Blackland Associates is? 13 <b>A. No.</b> 14 Q. You're not in any way affiliated with or working 15 for Blackland Associates? 16 MS. SMITH: Objection to form. 17 THE WITNESS: No. I recall I have an e-mail 18 with Blackland Associates. At one point it was a separate 19 business, but I don't recall what it is. 20 BY MR. BURT: 21 Q. You said you had an e-mail. You had an e-mail 22 account, is that what you meant? 23 <b>A. Yes.</b> 24 Q. Okay. And it was a separate business from what? 25 What was it separate from?	51	
1 <b>A. From Highland or SAS.</b> 2 Q. Beyond that, do you have any knowledge of what 3 Blackland Associates did? 4 <b>A. I don't recall.</b> 5 Q. Did you ever use that e-mail address? 6 <b>A. I don't recall.</b> 7 Q. Was that prior to the bankruptcy of Highland or 8 post bankruptcy of Highland? 9 <b>A. Prior.</b> 10 MS. SMITH: Objection to form. 11 BY MR. BURT: 12 Q. Prior, okay. 13 So prior to the bankruptcy, you got an 14 e-mail address at Blackland Associates? 15 <b>A. (Witness nods head affirmatively.)</b> 16 Q. Okay. So looking at this e-mail Mr. DiOrio sends 17 on April 15th, 2021, again to Gareth Pereira at Beecher 18 Carlson and Tom Adamczak, along with another Beecher 19 employee, and in the e-mail, he says, "Please process the 20 three attached invoices. Wire instructions also attached. 21 Some at 3700; Collas Crill, 50,000; Baker McKenzie, 22 250,000;" is that right? 23 <b>A. I see it on this paper, yes.</b> 24 Q. And did you -- I believe you testified earlier -- 25 and again, if I'm wrong, please correct me -- that Collas	52	
1 Crill represented Sentinel in the Caymans; is that right? 2 <b>A. I don't know.</b> 3 Q. You don't know? 4 The name Stephen Leontsinis, was he an 5 attorney at Collas Crill? 6 <b>A. Yes. To my knowledge, Stephen Leontsinis is with</b> 7 <b>Collas Crill.</b> 8 Q. And I apologize for mispronouncing his name. 9 Okay. So to your knowledge, he was. And 10 did he do work on -- for Sentinel? 11 MS. SMITH: Objection to form. 12 THE WITNESS: I don't know. 13 BY MR. BURT: 14 Q. All right. Do you know whether Baker & McKenzie 15 represent Sentinel? 16 MS. SMITH: Objection to form. 17 THE WITNESS: I don't know. 18 BY MR. BURT: 19 Q. They represent you here today, correct? 20 <b>A. Yes.</b> 21 Q. On the first page of the exhibit, Tom responds, 22 "Thanks, Matt. What's the nature of the fees to Baker 23 McKenzie and Collas Crill? Are they related to the 24 Highland bankruptcy, settlement of that ATE matter, or 25 just general legal counsel costs? Thanks, Tom."		

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14 (53 to 56)

53	<p>1 Do you know what he was referring to by</p> <p>2 "settlement of the ATE matter"?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 THE WITNESS: I don't know.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Have you ever heard the term "ATE" before?</p> <p>7 <b>A. Yes.</b></p> <p>8 Q. What's your understanding of what ATE is?</p> <p>9 <b>A. ATE is likely referring to after the event, ATE,</b></p> <p>10 <b>after the event. It's a -- yeah.</b></p> <p>11 Q. And do you know whether there's a type of</p> <p>12 insurance policy that's called an ATE policy?</p> <p>13 <b>A. Yes.</b></p> <p>14 Q. Okay. Do you know whether Sentinel ever had or</p> <p>15 issued ATE policies?</p> <p>16 <b>A. Yes.</b></p> <p>17 Q. Okay. Do you know how many they issued?</p> <p>18 <b>A. I don't.</b></p> <p>19 Q. Are you aware of an ATE polishy -- policy issued</p> <p>20 to the defendants in the New York litigation involving my</p> <p>21 client UBS?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 THE WITNESS: I don't know.</p> <p>24 BY MR. BURT:</p> <p>25 Q. You have no knowledge of that?</p>	55	<p>1 issued by Sentinel?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 THE WITNESS: Yes.</p> <p>4 BY MR. BURT:</p> <p>5 Q. Okay. So I believe you testified you don't know</p> <p>6 how many at issue; is that right?</p> <p>7 <b>A. Correct.</b></p> <p>8 Q. What knowledge do you have of any ATE policy that</p> <p>9 Sentinel issued?</p> <p>10 <b>A. I know of a -- I know Sentinel issued an ATE</b></p> <p>11 <b>policy.</b></p> <p>12 Q. Okay. And to whom did it issue that policy?</p> <p>13 <b>A. I don't know.</b></p> <p>14 Q. Do you know what amount it issued that policy?</p> <p>15 <b>A. I don't.</b></p> <p>16 Q. Do you know anything about how the premium was</p> <p>17 paid on that policy?</p> <p>18 <b>A. Yes.</b></p> <p>19 Q. And what do you know?</p> <p>20 <b>A. I know there were certain assets used to pay for</b></p> <p>21 <b>the policy.</b></p> <p>22 Q. Assets of whom?</p> <p>23 <b>A. I don't know.</b></p> <p>24 Q. Do you know in what amount those assets were?</p> <p>25 <b>A. I don't know.</b></p>
54	<p>1 MS. SMITH: Objection to form.</p> <p>2 THE WITNESS: Would you repeat the question?</p> <p>3 BY MR. BURT:</p> <p>4 Q. Sure.</p> <p>5 Are you aware of whether there was an ATE</p> <p>6 policy issued by Sentinel to the defendants in the New</p> <p>7 York action that was brought by my client UBS?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 THE WITNESS: I don't know.</p> <p>10 BY MR. BURT:</p> <p>11 Q. Okay. Have you ever heard the -- of the entity</p> <p>12 CDO Fund?</p> <p>13 <b>A. I've heard the name.</b></p> <p>14 Q. Okay. Do you know whether they were ever</p> <p>15 involved -- that entity and other related entities were</p> <p>16 ever involved in the litigation against UBS in New York?</p> <p>17 MS. SMITH: Objection to form.</p> <p>18 THE WITNESS: I don't know.</p> <p>19 BY MR. BURT:</p> <p>20 Q. Okay. Do you have any knowledge of any of the</p> <p>21 ATE policies issued by Sentinel?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 THE WITNESS: Could you repeat that?</p> <p>24 BY MR. BURT:</p> <p>25 Q. Do you have any knowledge of any ATE policy</p>	56	<p>1 Q. And do you know -- after-the-event insurance</p> <p>2 policy, do you understand that to be relating to a</p> <p>3 litigation -- a litigation insurance policy?</p> <p>4 MS. SMITH: Objection to form.</p> <p>5 THE WITNESS: Generally, I believe ATE is,</p> <p>6 yes, related to litigation.</p> <p>7 BY MR. BURT:</p> <p>8 Q. So relating to the policy that you were just</p> <p>9 discussing that you have knowledge of, do you know what</p> <p>10 litigation it involved?</p> <p>11 <b>A. I don't. I'm not an attorney. I don't know.</b></p> <p>12 Q. I understand; I'm just asking what you know. And</p> <p>13 if your testimony is you don't know what litigation it</p> <p>14 involved, that's fine.</p> <p>15 <b>A. Yeah, I don't know.</b></p> <p>16 Q. I just want to -- okay.</p> <p>17 Looking back at this Exhibit 97, Mr. DiOrio</p> <p>18 responds, "The Collas Crill invoice is ATE -related. The</p> <p>19 Baker invoice is general legal expense."</p> <p>20 Do you know whether Collas Crill was working</p> <p>21 on the litigation involved with that ATE policy?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 THE WITNESS: I don't know.</p> <p>24 BY MR. BURT:</p> <p>25 Q. Do you know whether Baker &amp; McKenzie was working</p>

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15 (57 to 60)

57	<p>1 on that litigation?</p> <p>2 <b>A. I don't know.</b></p> <p>3 Q. How about Ross &amp; Smith, do you know whether they</p> <p>4 were?</p> <p>5 <b>A. I don't know. I'm not copied on this e-mail; I</b></p> <p>6 <b>don't have any knowledge of this.</b></p> <p>7 Q. I understand. And I'm asking what your knowledge</p> <p>8 is, and I understand that you might not know, but I'm</p> <p>9 going to ask. Is that fair?</p> <p>10 <b>A. Sure.</b></p> <p>11 Q. Okay. So you don't know whether Baker was</p> <p>12 representing any entity involved with the ATE -- in the</p> <p>13 litigation related to the ATE policy?</p> <p>14 <b>A. I don't know.</b></p> <p>15 Q. How about Ross &amp; Smith?</p> <p>16 <b>A. I don't know.</b></p> <p>17 Q. Did you ever understand that Sentinel was paying</p> <p>18 for general legal expenses?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 THE WITNESS: It would make sense to me that</p> <p>21 Sentinel would pay for legal expenses, but I don't -- I</p> <p>22 don't know.</p> <p>23 BY MR. BURT:</p> <p>24 Q. For what legal expenses? What would make sense</p> <p>25 to you?</p>	59	<p>1 other invoice, if it's ATE-related, should be a legal</p> <p>2 expense against that policy."</p> <p>3 Did I read that correctly?</p> <p>4 <b>A. Is that a question for me?</b></p> <p>5 Q. Yes, it is.</p> <p>6 <b>A. Yes, you read that correctly.</b></p> <p>7 Q. Okay. And is that consistent with your</p> <p>8 understanding that for an ATE insurance policy, legal</p> <p>9 expenses can be expensed against that policy?</p> <p>10 <b>A. I don't know.</b></p> <p>11 Q. Okay. And he says, "Now that I think about it,</p> <p>12 Matt may have gotten them backwards. I would add that a</p> <p>13 retainer is to be used to help settle ATE claim, and there</p> <p>14 was a lot of general legal expenses already incurred!"</p> <p>15 Did I read that correctly?</p> <p>16 <b>A. Yes.</b></p> <p>17 Q. Okay. Do you know, one way or the other, whether</p> <p>18 Mr. DiOrio had gotten this backwards, as Mr. Adamczak</p> <p>19 states?</p> <p>20 MS. SMITH: Objection to form.</p> <p>21 THE WITNESS: No idea. I don't know.</p> <p>22 BY MR. BURT:</p> <p>23 Q. Okay. So you have no knowledge whatsoever about</p> <p>24 this?</p> <p>25 MS. SMITH: Objection to form.</p>
58	<p>1 <b>A. Legal -- legal expenses for the entity.</b></p> <p>2 Q. Related to the ATE policy?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 BY MR. BURT:</p> <p>5 Q. Is that what you mean?</p> <p>6 <b>A. I don't know.</b></p> <p>7 Q. So why would it make sense to you that Sentinel</p> <p>8 would just pay general legal expenses?</p> <p>9 <b>A. Likely would need legal advice on something or</b></p> <p>10 <b>involvement of an attorney.</b></p> <p>11 Q. So is -- so Sentinel paying for its own attorney?</p> <p>12 <b>A. I don't know.</b></p> <p>13 Q. Okay. All right. Looking at the top e-mail,</p> <p>14 Mr. Pereira says, "Gareth, I believe the retainer should</p> <p>15 be recorded as prepaid until we know there are changes</p> <p>16 that eat against it for which we can expense. The other</p> <p>17 invoice, if it is ATE-related, should be a legal expense</p> <p>18 against that policy."</p> <p>19 Is that consistent with your understanding</p> <p>20 of how ATE policies work?</p> <p>21 MS. SMITH: Objection to form. You misread</p> <p>22 that.</p> <p>23 MR. BURT: Well, okay.</p> <p>24 BY MR. BURT:</p> <p>25 Q. To be clear, it states in the second line, "The</p>	60	<p>1 THE WITNESS: No. This is the first time</p> <p>2 I'm seeing this. I -- I don't know.</p> <p>3 BY MR. BURT:</p> <p>4 Q. And you didn't know before sitting here today</p> <p>5 that Sentinel was paying Baker McKenzie?</p> <p>6 <b>A. No.</b></p> <p>7 Q. And you don't know whether Baker McKenzie was</p> <p>8 involved or related in any way to the entities -- to the</p> <p>9 parties for which the ATE policy had been issued?</p> <p>10 <b>A. I don't know.</b></p> <p>11 MS. SMITH: Objection to form.</p> <p>12 BY MR. BURT:</p> <p>13 Q. Okay. I wanted to actually follow up on one</p> <p>14 question about what you did to prepare for today.</p> <p>15 Did you review any prior deposition</p> <p>16 transcripts?</p> <p>17 <b>A. No.</b></p> <p>18 Q. Did you review any hearing transcripts?</p> <p>19 <b>A. No.</b></p> <p>20 Q. And I believe you said you didn't look at any</p> <p>21 documents?</p> <p>22 <b>A. I did not look at documents, no.</b></p> <p>23 Q. Okay. All right, Mrs. Lucas.</p> <p>24 I -- I think you testified today that you</p> <p>25 are not a lawyer; is that right?</p>



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16 (61 to 64)

61	<p>1 <b>A. Correct.</b></p> <p>2 Q. Could you describe, please, your educational</p> <p>3 background?</p> <p>4 <b>A. Sure. I went to Texas A&amp;M University. My</b></p> <p>5 <b>undergrad is in accounting. My master's is in finance.</b></p> <p>6 MR. BURT: I'll mark this as 98, I believe.</p> <p>7 THE WITNESS: Thanks.</p> <p>8 (Exhibit 98 was marked for identification.)</p> <p>9 MR. BURT:</p> <p>10 Q. Hopefully this document is a little more familiar</p> <p>11 to you.</p> <p>12 Do you recognize Exhibit 98?</p> <p>13 <b>A. I recognize the information contained on this,</b></p> <p>14 <b>not the exact document, but yes.</b></p> <p>15 Q. Okay. And is -- does it appear to be your</p> <p>16 LinkedIn -- a printout of your LinkedIn bio?</p> <p>17 <b>A. It does appear to be that, yes.</b></p> <p>18 Q. Okay. So you mentioned -- and going down to</p> <p>19 "Education" -- that you have an undergraduate degree in</p> <p>20 accounting; is that right?</p> <p>21 <b>A. Yes.</b></p> <p>22 Q. All right. And then remind me, what was your</p> <p>23 master's degree in?</p> <p>24 <b>A. Finance.</b></p> <p>25 Q. And both of those from Texas A&amp;M?</p>	63	<p>1 <b>maybe 2009 or so.</b></p> <p>2 Q. Is it correct that you obtained both of those</p> <p>3 certifications, the CPA and the certified insolvency,</p> <p>4 prior to beginning work for Highland?</p> <p>5 <b>A. Yes.</b></p> <p>6 Q. Now, listed at the bottom under your experience</p> <p>7 is FTI Consulting. Do you see that?</p> <p>8 <b>A. Yes.</b></p> <p>9 Q. Very briefly, can you describe what you did</p> <p>10 there?</p> <p>11 <b>A. Sure.</b></p> <p>12 <b>I was -- I started my career at FTI</b></p> <p>13 <b>Consulting in 2007. I was involved with multiple</b></p> <p>14 <b>bankruptcy matters, including subprime lending and -- and</b></p> <p>15 <b>several other type of clients.</b></p> <p>16 Q. Well, that was the time for it, wasn't it?</p> <p>17 <b>A. Yes.</b></p> <p>18 Q. And is that why you got the Certified Insolvency</p> <p>19 and Restructuring Advisor certification, because you were</p> <p>20 doing that work for FTI?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 THE WITNESS: It was offered by FTI and</p> <p>23 suggested that I attend the trainings and take the exams.</p> <p>24 BY MR. BURT:</p> <p>25 Q. Uh-huh.</p>
62	<p>1 <b>A. Yes.</b></p> <p>2 Q. Now, looking up at -- under "Summary" at the top,</p> <p>3 it states that you have specialties including that you're</p> <p>4 a certified public accountant, right?</p> <p>5 <b>A. Yes.</b></p> <p>6 Q. When did you get your CPA license?</p> <p>7 <b>A. 2007.</b></p> <p>8 Q. Was that here in Texas?</p> <p>9 <b>A. Yes.</b></p> <p>10 Q. And you also list here a "Certified Insolvency</p> <p>11 and Restructuring Advisor."</p> <p>12 Can you describe what that is referring to?</p> <p>13 <b>A. Sure. It's a specialized credential,</b></p> <p>14 <b>essentially, that I obtained really just related to -- to</b></p> <p>15 <b>insolvency specifically.</b></p> <p>16 Q. How did -- what did you have to do to attain that</p> <p>17 certification?</p> <p>18 <b>A. There were several trainings and several exams.</b></p> <p>19 Q. And who issues -- or who -- who does the exam?</p> <p>20 Who administers it?</p> <p>21 <b>A. It's called "AIRA," Association of Insolvency and</b></p> <p>22 <b>Restructuring Advisors.</b></p> <p>23 Q. When did you do that? When did you obtain that</p> <p>24 certification? Let me be more precise.</p> <p>25 <b>A. I don't recall exactly but early in my career,</b></p>	64	<p>1 And you worked there for three years, right?</p> <p>2 <b>A. Yes.</b></p> <p>3 Q. Next you went to Innovative Communications for</p> <p>4 one year in the Virgin Islands.</p> <p>5 What is Innovative Communications?</p> <p>6 <b>A. Innovative ran all the telecomm in the USVI and</b></p> <p>7 <b>BVI.</b></p> <p>8 Q. What took you there?</p> <p>9 <b>A. It was a client of FTI. There was a</b></p> <p>10 <b>restructuring going on.</b></p> <p>11 Q. So you actually left FTI and went to this -- to</p> <p>12 this other entity?</p> <p>13 <b>A. I did.</b></p> <p>14 Q. Okay. And you were there for one year. Why just</p> <p>15 a year?</p> <p>16 <b>A. I didn't like my boss.</b></p> <p>17 Q. That's fair.</p> <p>18 So you decided to -- to leave after a year,</p> <p>19 and you went to Ernst &amp; Young; is that right?</p> <p>20 <b>A. Yes.</b></p> <p>21 Q. And you came back to Dallas?</p> <p>22 <b>A. I did.</b></p> <p>23 Q. All right. And what did you do at Ernst &amp; Young?</p> <p>24 <b>A. I worked in the restructuring group.</b></p> <p>25 Q. Okay. So it appears that your -- your work</p>

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17 (65 to 68)

65	<p>1 coming out of your degrees from 2007 to '13, at least</p> <p>2 through that time period, was dealing mostly with</p> <p>3 restructuring; is that fair?</p> <p>4 <b>A. Yes.</b></p> <p>5 Q. Okay. And you stayed at Ernst &amp; Young for</p> <p>6 two years?</p> <p>7 <b>A. Yes.</b></p> <p>8 Q. Did you have -- did you ever work in a legal</p> <p>9 department at any of these entities?</p> <p>10 <b>A. No.</b></p> <p>11 Q. Did they have specific restructuring departments</p> <p>12 that you were in?</p> <p>13 <b>A. For Ernst &amp; Young, yes. For Innovative, I was in</b></p> <p>14 <b>the finance group. For FTL, yes, I was in the corporate</b></p> <p>15 <b>finance restructuring group.</b></p> <p>16 Q. All right. And then, in 2013, you leave Ernst &amp;</p> <p>17 Young, and that's when you first come to work for Highland</p> <p>18 Capital; is that right?</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. Okay. What instigated that move from Ernst &amp;</p> <p>21 Young to Highland Capital?</p> <p>22 <b>A. Highland was looking for someone to essentially</b></p> <p>23 <b>work on a incubator project related to litigation funding.</b></p> <p>24 <b>I thought it seemed like an interesting opportunity.</b></p> <p>25 Q. Did you have any involvement with litigation</p>	67	<p>1 <b>BY MR. BURT:</b></p> <p>2 Q. Was SAS Asset Recovery based in the Caymans?</p> <p>3 <b>A. Yes.</b></p> <p>4 Q. And when you came over, did you work specifically</p> <p>5 at SAS Asset Recovery or for Highland Capital Management?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 <b>THE WITNESS: Highland Capital Management,</b></p> <p>8 <b>L.P., was my employer.</b></p> <p>9 <b>BY MR. BURT:</b></p> <p>10 Q. And if we refer to that as "HCMLP," is -- will</p> <p>11 you understand what I'm referring to?</p> <p>12 <b>A. Yes.</b></p> <p>13 Q. Okay. So were you always paid out of HCMLP?</p> <p>14 <b>A. Yes.</b></p> <p>15 Q. Never out of SAS Asset Recovery, Ltd.?</p> <p>16 <b>A. Correct.</b></p> <p>17 Q. All right. It states in your LinkedIn that you</p> <p>18 were a director of business development from 2013 to</p> <p>19 February of 2020, for seven years.</p> <p>20 Was that work all SAS Asset Recovery work?</p> <p>21 <b>A. Not all of it, no.</b></p> <p>22 Q. Okay. What else did you do besides SAS Asset</p> <p>23 Recovery?</p> <p>24 <b>A. This really should be updated, honestly.</b></p> <p>25 <b>I worked -- my -- my role changed</b></p>
66	<p>1 funding prior to that?</p> <p>2 <b>A. No.</b></p> <p>3 Q. Okay. What about this struck you as interesting?</p> <p>4 <b>A. I met the team; I thought it was a very</b></p> <p>5 <b>entrepreneurial environment.</b></p> <p>6 Q. Who was the team?</p> <p>7 <b>A. Scott Ellington and J.P. Sevilla.</b></p> <p>8 Q. Anybody else?</p> <p>9 <b>A. Not that I recall.</b></p> <p>10 Q. Did this -- this litigation funding, did it have</p> <p>11 its own entity that -- that it worked under separate from</p> <p>12 Highland Capital or --</p> <p>13 <b>A. Yes.</b></p> <p>14 Q. And what entity was that?</p> <p>15 <b>A. SAS Asset Recovery.</b></p> <p>16 Q. Okay. Had SAS Asset Recovery already been</p> <p>17 established before you went over to Highland Capital?</p> <p>18 <b>A. Yes.</b></p> <p>19 Q. Did SAS Asset Recovery have anything to do with</p> <p>20 restructuring?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 <b>THE WITNESS: Insofar as Cayman</b></p> <p>23 <b>liquidations, which would touch restructuring, would</b></p> <p>24 <b>potentially have the need for litigation funding for</b></p> <p>25 <b>claims out of those estates.</b></p>	68	<p>1 <b>significantly while I was there. I was there for a long</b></p> <p>2 <b>time.</b></p> <p>3 <b>So I worked on SAS Asset Recovery matters; I</b></p> <p>4 <b>worked on private equity matters, a lot of ad hoc matters.</b></p> <p>5 Q. The private equity matters, was that for a</p> <p>6 different entity?</p> <p>7 <b>A. That was for HCMLP.</b></p> <p>8 Q. That was for HCMLP?</p> <p>9 <b>A. Managed funds and investments.</b></p> <p>10 Q. Aside from SAS Asset Recovery and HCMLP, what</p> <p>11 other entities under the Highland umbrella did you work</p> <p>12 for?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>THE WITNESS: Did I work for?</b></p> <p>15 <b>BY MR. BURT:</b></p> <p>16 Q. Or with.</p> <p>17 <b>A. I worked with NexBank on several matters. I</b></p> <p>18 <b>worked with NexPoint. That's all I can recall for now.</b></p> <p>19 Q. What was NexBank?</p> <p>20 <b>A. NexBank is a -- essentially an affiliate bank of</b></p> <p>21 <b>Highland Capital Management, L.P. There's a Shared</b></p> <p>22 <b>Services Agreement.</b></p> <p>23 Q. Between HCMLP and NexBank?</p> <p>24 <b>A. To my knowledge, yes.</b></p> <p>25 Q. And when you say it was an affiliate bank, did it</p>

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18 (69 to 72)

69	1 -- did NexBank fund HCMLP, or how -- 2 <b>A. I don't know.</b> 3 Q. -- how were they affiliated? 4 MS. SMITH: Objection to form. 5 THE WITNESS: I don't know. 6 BY MR. BURT: 7 Q. You just know that they were affiliated in some 8 way? 9 <b>A. Yes.</b> 10 Q. What type of work did you do for NexBank? 11 MS. SMITH: Objection to form. 12 THE WITNESS: I worked on distressed real 13 estate matter. I also had an opportunity for some 14 deposits at NexBank. 15 BY MR. BURT: 16 Q. What is NexPoint? 17 <b>A. The real estate group.</b> 18 Q. And real estate group, was it -- was it also 19 affiliated with HCMLP? 20 MS. SMITH: Objection to form. 21 THE WITNESS: To my knowledge. 22 BY MR. BURT: 23 Q. Do you know whether a Shared Services Agreement 24 existed between those two entities? 25 <b>A. I believe so, but I don't know for certain.</b>	71	1 <b>A. Oh, certainly, yes.</b> 2 Q. Two/three years prior? Five years prior? Any 3 way you can gauge how prior -- how -- 4 <b>A. Likely close to the beginning of my employment.</b> 5 Q. Okay. So for most of the time that you were -- 6 looking again at your LinkedIn, that you were at Highland 7 Capital Management, you were also doing work with, on an 8 ad hoc basis, Sentinel; is that fair? 9 <b>A. Yes.</b> 10 Q. Was it pretty consistent that ad hoc work? 11 MS. SMITH: Objection to form. 12 THE WITNESS: No. 13 BY MR. BURT: 14 Q. Did it get busier at times than others? 15 <b>A. Yes.</b> 16 Q. When was it a busy time doing ad hoc work for 17 Sentinel? 18 <b>A. If Sentinel was contemplating a ATE, issuing an</b> 19 <b>ATE policy.</b> 20 Q. And what would you do if they were contemplating 21 that? 22 <b>A. There's a lot of synergy between an opportunity</b> 23 <b>in litigation funding and ATE in commonwealth</b> 24 <b>jurisdictions. So there would be analysis related to</b> 25 <b>whether issuing an ATE policy would be a complimentary</b>
70	1 MR. BURT: One moment. 2 BY MR. BURT: 3 Q. So any other entities that you worked for during 4 these -- from 2013 to February 2020, other than HCMLP, SAS 5 Asset Recovery, NexBank, and NexPoint? 6 MS. SMITH: Objection to form. 7 THE WITNESS: I did not work for those 8 companies. 9 BY MR. BURT: 10 Q. Or worked with. 11 <b>A. Worked with.</b> 12 Q. Okay. Any others that you worked with? 13 MS. SMITH: Excuse me. 14 THE WITNESS: Not that I can recall. 15 BY MR. BURT: 16 Q. How about Sentinel? 17 <b>A. I did do ad voc [sic] -- ad hoc work for</b> 18 <b>Sentinel, yes.</b> 19 Q. Who asked you to do that? 20 MS. SMITH: Objection to form. 21 THE WITNESS: I don't know. 22 BY MR. BURT: 23 Q. When did you start doing that? 24 <b>A. I don't recall specifically.</b> 25 Q. Was it prior to HCMLP's bankruptcy?	72	1 <b>business pitch to the litigation funding side.</b> 2 Q. How many times did you work on a contemplated ATE 3 for Sentinel? 4 <b>A. I don't know. More than five.</b> 5 Q. Do you know how many of those were actually 6 issued as policies? 7 <b>A. I don't recall.</b> 8 Q. Do you know whether all of them were issued as 9 policies? 10 MS. SMITH: Objection to form. 11 THE WITNESS: All of them were not issued as 12 policies. 13 BY MR. BURT: 14 Q. Do you know how many were? 15 <b>A. I do not know.</b> 16 Q. The one that we were referring to earlier that 17 you -- where you testified that certain assets were 18 transferred over to Sentinel, do you recall that 19 testimony? 20 <b>A. I do.</b> 21 Q. Okay. Is that one where you had done work 22 evaluating the ATE prior to the issuance of the policy? 23 <b>A. No.</b> 24 Q. You had not worked on that one? 25 MS. SMITH: Objection to form.

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19 (73 to 76)

73	<p>1 THE WITNESS: I had not worked on that one, 2 that's the question? 3 BY MR. BURT: 4 Q. Well, you've described work that you would do 5 when an ATE was being considered -- 6 A. Uh-huh. 7 Q. -- correct? 8 Did you work on the consideration of that 9 ATE policy with your work? 10 A. I did not. 11 Q. Okay. Do you know who did? 12 A. I don't know. 13 Q. Okay. Moving up in your LinkedIn, above 14 "Director of Business Development," it says, "Managing 15 Director - Distressed" from February of 2020 through the 16 present. 17 Is that one of the areas you mentioned this 18 is outdated because you're no longer working -- 19 A. No. I didn't realize that I had updated it. 20 Yes, that is -- it's outdated insofar as it still says 21 "Highland Capital Management, L.P.," and I'm not an 22 employee of Highland Capital Management, L.P., any longer. 23 Q. I see. 24 What entity should be listed there? 25 A. Skyview.</p>	75	<p>1 affirmatively.) 2 MR. BURT: At any time you need a break, 3 that's fine. 4 THE WITNESS: Thank you. 5 BY MR. BURT: 6 Q. Who informed you that you would now be working 7 for Skyview? 8 A. I don't recall. 9 Q. Do you need a break, Mrs. Irving? 10 A. No. 11 Q. And from -- from the time that your children were 12 born, up to this point, you've been on unpaid leave the 13 entire time? 14 A. (Witness nods head affirmatively.) 15 Q. Okay. And so you -- is that a "yes"? 16 A. Yes. 17 Q. Sorry. We need audible answers. 18 And you had -- so you haven't actually done 19 any work for Skyview? 20 A. Correct. 21 Q. I see. 22 When you were working for HCMLP, so prior -- 23 from February 2021 moving back, were you paid by HCMLP 24 that entire time? 25 A. Yes.</p>
74	<p>1 Q. Skyview. 2 Have you worked for Skyview since February 3 of 2020? 4 A. I have been on unpaid leave since my children 5 were born in February of 2021. 6 Q. Was that 2021? 7 A. This year. 8 Q. This year, okay. 9 So from February 2020, the year prior, to 10 February of 2021 when your children were born were you 11 working for HCMLP or for Skyview? 12 A. HCMLP. 13 Q. Okay. So when you went on -- on leave for your 14 children, up to that point, you had been an employee of 15 HCMLP? 16 A. Yes. 17 Q. I see. 18 And while you've been on unpaid leave, you 19 switched over to Skyview? 20 A. Yes. My employer changed while I was in the 21 hospital, actually. 22 Q. That's bad timing. 23 A. Yeah. 24 MS. SMITH: Doing okay? 25 THE WITNESS: (Witness nods head</p>	76	<p>1 Q. Okay. So you were never paid out of an SAS Asset 2 Recovery account? 3 A. Correct. 4 Q. Or by Sentinel? 5 A. Correct. 6 Q. Did you ever rece- -- other than a paycheck, did 7 you ever receive anything of value from another one of the 8 entities that we've talked about? 9 A. No. 10 MS. SMITH: Objection to form. 11 BY MR. BURT: 12 Q. At the point where you -- up to February 2021, 13 how much were you being paid? What was your salary in the 14 last year of employment for HCMLP? 15 A. I don't remember, honestly. 16 Q. Okay. Can you estimate it at all, about what it 17 was? 18 A. The salary component was roughly -- I honestly 19 don't know. There's -- there's a bonus structure, so I 20 don't -- I don't remember the bifurcation. 21 Q. I see. 22 So you had a salary -- a base salary, and 23 then you had a bonus structure that you were also eligible 24 for? 25 A. Yes.</p>

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20 (77 to 80)

<p>77</p> <p>1 Q. And that was -- the bonus structure was also out 2 of HCMLP?</p> <p>3 <b>A. Yes.</b></p> <p>4 Q. Were those annual bonuses or more often than 5 annual?</p> <p>6 <b>A. They were annual bonuses paid over a two-year 7 period.</b></p> <p>8 Q. And how did you become eligible for the bonuses?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: It was determined by your -- 11 who you directly reported to.</p> <p>12 BY MR. BURT:</p> <p>13 Q. Okay. And who did you directly report to?</p> <p>14 <b>A. Scott Ellington.</b></p> <p>15 Q. How long did you directly report to 16 Mr. Ellington?</p> <p>17 <b>A. The entirety of my time at HCMLP.</b></p> <p>18 Q. So that was about eight years?</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. Was he the head of the legal department?</p> <p>21 <b>A. Yes.</b></p> <p>22 Q. Do you know why when you came over to HCMLP you 23 were placed in the legal department?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 THE WITNESS: My sense is that's where this</p>	<p>79</p> <p>1 BY MR. BURT:</p> <p>2 Q. While you were at HCMLP, was your e-mail address 3 kirving@highlandcapital.com?</p> <p>4 <b>A. Yes. Or kirving@hcmpl.com.</b></p> <p>5 Q. All right. Did you also have a 6 kirving@sasmgt.com e-mail?</p> <p>7 <b>A. Yes.</b></p> <p>8 Q. All right. Any others?</p> <p>9 <b>A. The Blackland Associates's e-mail from very early 10 in my career. I don't know that it was ever used; I can't 11 access it.</b></p> <p>12 Q. All right. Did you ever use your personal e-mail 13 address for work matters?</p> <p>14 <b>A. Generally not.</b></p> <p>15 Q. But at times, did you?</p> <p>16 <b>A. Yes.</b></p> <p>17 <b>Highly Confidential</b></p> <p>18</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. All right. Now, in responding to the subpoena 21 you received in this case, did you search your Gmail 22 account?</p> <p>23 <b>A. Yes.</b></p> <p>24 Q. All right. You received a preservation notice in 25 March, I believe, of this year, is that right, about that</p>
<p>78</p> <p>1 incubator, you know, litigation-based business was 2 originating.</p> <p>3 BY MR. BURT:</p> <p>4 Q. Okay. Did you stay in the legal department the 5 entire time?</p> <p>6 <b>A. I did. And private equity, essentially, moved 7 beneath the legal department. So when my title changed, 8 "Managing Director - Distressed," it was still beneath 9 legal but also with private equity.</b></p> <p>10 Q. Mr. DiOrio worked in the legal department as 11 well?</p> <p>12 <b>A. Yes.</b></p> <p>13 Q. As did Mr. Leventon?</p> <p>14 <b>A. Yes.</b></p> <p>15 Q. Mr. Sevilla as well?</p> <p>16 <b>A. Yes.</b></p> <p>17 Q. Do you know whether there was a Shared Services 18 Agreement between HCMLP and Sentinel?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 THE WITNESS: I don't know.</p> <p>21 BY MR. BURT:</p> <p>22 Q. How about between Sentinel and SAS Asset 23 Recovery?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 THE WITNESS: I don't know.</p>	<p>80</p> <p>1 time frame?</p> <p>2 <b>A. I'll take your word for it.</b></p> <p>3 Q. I understand that's -- that's right after your 4 children were born.</p> <p>5 When did you search for documents in your 6 Gmail account?</p> <p>7 <b>A. I don't -- I don't recall.</b></p> <p>8 Q. Do you recall how you searched for documents?</p> <p>9 <b>A. Not specifically. I believe I -- I believe I -- 10 no, I don't really remember, honestly.</b></p> <p>11 Q. You recall using search terms, for example, 12 within Gmail?</p> <p>13 <b>A. I believe so, yes.</b></p> <p>14 Q. Do you have any recollection of what those terms 15 might have been?</p> <p>16 <b>A. "SAS," I believe, was a search term.</b></p> <p>17 Q. Any others?</p> <p>18 <b>A. I can't recall. I don't know.</b></p> <p>19 Q. Did you search for "Sentinel" in your Gmail?</p> <p>20 <b>A. I don't recall. I -- likely I did. I had a 21 discussion with counsel and then searched, you know, 22 according to counsel's advice, but I can't remember the 23 details.</b></p> <p>24 Q. And without disclosing that advice, was that 25 Ms. Smith?</p>

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21 (81 to 84)

81	<p>1     <b>A. I don't -- I don't remember.</b></p> <p>2         MR. BURT: I believe we're on 99.</p> <p>3         Mark this as 99.</p> <p>4         (Exhibit 99 was marked for identification.)</p> <p>5 BY MR. BURT:</p> <p>6         Q. While you're looking through that, Mrs. Irving,</p> <p>7 I'll just draw your attention down at the very bottom on</p> <p>8 the right-hand corner, there's something that says "KL_"</p> <p>9 then has a bunch of zeros and two 9s.</p> <p>10         Do you see that?</p> <p>11     <b>A. I do see that.</b></p> <p>12         Q. You're probably familiar with this; we call that</p> <p>13 the "Bates number." And I'll represent to you that this</p> <p>14 is -- was produced to UBS by your counsel --</p> <p>15     <b>A. Okay.</b></p> <p>16         Q. -- and so labeled --</p> <p>17     <b>A. Okay.</b></p> <p>18         Q. -- as something that you had produced.</p> <p>19     <b>A. (Witness reviews document.) Okay.</b></p> <p>20         Q. Do you recall finding these documents in your</p> <p>21 Gmail?</p> <p>22     <b>A. I don't.</b></p> <p>23         Q. You don't have any reason to dispute that you</p> <p>24 produced these, do you?</p> <p>25         MS. SMITH: Objection to form.</p>	83	<p>1     <b>A. Okay.</b></p> <p>2         Q. Do you see that this is a court document entitled</p> <p>3 "Judgment"? Do you see that?</p> <p>4     <b>A. Yes.</b></p> <p>5         Q. And it was filed February 10th, 2020, in the</p> <p>6 County Clerk's Office in New York; is that right?</p> <p>7     <b>A. I see that here.</b></p> <p>8         Q. Before today, sitting looking at it now, had you</p> <p>9 ever seen this document before?</p> <p>10     <b>A. Not that I recall.</b></p> <p>11         Q. All right. And looking over, we call it, the</p> <p>12 "case caption" on the left-hand side in the Supreme Court</p> <p>13 of the State of New York, there was a legal action by UBS</p> <p>14 Securities, LLC, and UBS AG London Branch as Plaintiffs</p> <p>15 against a number of Highland Entities.</p> <p>16         Do you see that?</p> <p>17     <b>A. I see that here, yes.</b></p> <p>18         MS. SMITH: Objection to form.</p> <p>19 BY MR. BURT:</p> <p>20         Q. And listed as the Defendants is Highland Capital</p> <p>21 Management, L.P.; Highland CDO Opportunity Master Fund,</p> <p>22 L.P.; Highland Special Opportunities Holding Company;</p> <p>23 Highland Financial Partners, L.P.; Highland Credit</p> <p>24 Strategies Master Fund, L.P.; Highland Crusader Offshore</p> <p>25 Partners, L.P.; Highland Credit Opportunities CDO, L.P.,</p>
82	<p>1         THE WITNESS: I don't know.</p> <p>2 BY MR. BURT:</p> <p>3         Q. Looking at the first document, a -- a letter</p> <p>4 dated 24th of May, 2021, the -- at the very top, the</p> <p>5 header is "Walkers."</p> <p>6         Do you recall ever having -- before today,</p> <p>7 reviewing this letter?</p> <p>8     <b>A. I don't recall.</b></p> <p>9         Q. Do you know what Walkers is?</p> <p>10     <b>A. Yes.</b></p> <p>11         Q. Do you know how you came to be in possession of</p> <p>12 this document?</p> <p>13     <b>A. I don't know.</b></p> <p>14         Q. Were you aware that on the 24th of May, Walkers</p> <p>15 wrote to Sentinel Reinsurance making a demand on the legal</p> <p>16 liability insurance policy for Sentinel Reinsurance, Ltd.?</p> <p>17     <b>A. No.</b></p> <p>18         MS. SMITH: Objection to form.</p> <p>19 BY MR. BURT:</p> <p>20         Q. Before sitting here today, did you know that a</p> <p>21 demand had been made on that policy?</p> <p>22     <b>A. No.</b></p> <p>23         Q. Okay. Moving forward in this chain, you'll see</p> <p>24 at the end the Judgment. There's a document that begins</p> <p>25 on -- at the bottom, the Bates is KL_000036.</p>	84	<p>1 and Strand Advisors, Inc.</p> <p>2         Did I read that correctly?</p> <p>3     <b>A. I believe so.</b></p> <p>4         Q. Are there any entities that I just read that</p> <p>5 you've never heard of before?</p> <p>6         MS. SMITH: Objection to form.</p> <p>7         THE WITNESS: I don't know. Multiple</p> <p>8 entities have very similar names. I've heard the names,</p> <p>9 but I -- I don't know for certain.</p> <p>10 BY MR. BURT:</p> <p>11         Q. Okay. Highland Capital Management, L.P., that's</p> <p>12 the Highland Capital Management we've been discussing, is</p> <p>13 that right --</p> <p>14     <b>A. Yes.</b></p> <p>15         Q. -- HCMLP?</p> <p>16         Highland CDO Opportunity Master Fund, L.P.,</p> <p>17 have you heard of that before?</p> <p>18     <b>A. I've heard the name, yes.</b></p> <p>19         Q. Do you know anything about that entity?</p> <p>20     <b>A. No.</b></p> <p>21         Q. Highland Special Opportunities Holding Company,</p> <p>22 have you heard of that entity before?</p> <p>23     <b>A. I've heard the name, yes.</b></p> <p>24         Q. Any knowledge of what it was?</p> <p>25     <b>A. No.</b></p>



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22 (85 to 88)

85	<p>1 Q. Highland Financial Partners, L.P., have you heard</p> <p>2 of that entity before?</p> <p>3 <b>A. I've heard the name.</b></p> <p>4 Q. Any knowledge of it?</p> <p>5 <b>A. No.</b></p> <p>6 Q. Highland Credit Strategies Master Fund, L.P.,</p> <p>7 have you ever heard of that?</p> <p>8 <b>A. Yes.</b></p> <p>9 Q. Do you know what it did?</p> <p>10 <b>A. No.</b></p> <p>11 Q. Highland Crusader Offshore Partners, L.P., have</p> <p>12 you heard of that?</p> <p>13 <b>A. I don't know. I don't know.</b></p> <p>14 Q. Okay. That one is a little less clear?</p> <p>15 <b>A. Yes.</b></p> <p>16 Q. Highland Credit Opportunities CDO, L.P., how</p> <p>17 about that one?</p> <p>18 <b>A. Yes, I've heard the name.</b></p> <p>19 Q. Any knowledge of what it did?</p> <p>20 <b>A. No.</b></p> <p>21 Q. How about Strand Advisors?</p> <p>22 <b>A. Yes.</b></p> <p>23 Q. What is Strand Advisors?</p> <p>24 <b>A. If this is the same Strand Advisors, which I</b></p> <p>25 <b>don't know, I believe Strand Advisors was the GP of HCMLP.</b></p>	87	<p>1 Q. Do you know whether Mr. Ellington was working on</p> <p>2 that litigation?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 THE WITNESS: I don't know.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Now, Mrs. Irving, drawing your attention back to</p> <p>7 the ATE policy that you testified that you were aware of</p> <p>8 where certain assets were transferred, do you know whether</p> <p>9 that ATE policy had anything to do with the litigation</p> <p>10 reflected here in Exhibit 99?</p> <p>11 <b>A. I don't know.</b></p> <p>12 Q. Now, you testified that, as part of work that you</p> <p>13 did on an ad hoc basis for Sentinel, you would do some --</p> <p>14 and correct me if I'm wrong -- but some type of pre-policy</p> <p>15 diligence on -- on -- on ATE opp- -- ATE possibilities; is</p> <p>16 that right?</p> <p>17 <b>A. Yes.</b></p> <p>18 Q. Do you recall ever doing that type of work or</p> <p>19 diligence in relation to this litigation in an AT- -- in a</p> <p>20 potential ATE policy?</p> <p>21 <b>A. No.</b></p> <p>22 Q. In 2020, February 2020, did you have any</p> <p>23 knowledge that a judgment had been issued in favor of UBS?</p> <p>24 <b>A. No.</b></p> <p>25 Q. You never heard anything about that?</p>
86	<p>1 Q. And by "GP," do you mean general partner?</p> <p>2 <b>A. Yes.</b></p> <p>3 Q. Of HCMLP?</p> <p>4 <b>A. Yes.</b></p> <p>5 Q. Do you know who owned Strand Advisors?</p> <p>6 <b>A. No.</b></p> <p>7 Q. Do you know whether it was in any way affiliated</p> <p>8 with Mr. Dondero?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: I don't know.</p> <p>11 BY MR. BURT:</p> <p>12 Q. How about Mr. Ellington?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 THE WITNESS: I don't know.</p> <p>15 BY MR. BURT:</p> <p>16 Q. Now, were you aware that there was a litigation</p> <p>17 involving various Highland Entities against UBS while you</p> <p>18 were employed at HCMLP?</p> <p>19 <b>A. I heard UBS mentioned, yes.</b></p> <p>20 Q. In the context of a litigation?</p> <p>21 <b>A. Yes.</b></p> <p>22 Q. And what -- what do you recall hearing?</p> <p>23 <b>A. I don't remember. I just remember hearing UBS,</b></p> <p>24 <b>you know, in the legal department, but I don't recall</b></p> <p>25 <b>specifically.</b></p>	88	<p>1 <b>A. Not that I recall.</b></p> <p>2 MS. SMITH: Objection to form.</p> <p>3 BY MR. BURT:</p> <p>4 Q. Okay. And if you look at page 2 of this</p> <p>5 Judgment, in the paragraph that begins, "IT IS NOW HEREBY</p> <p>6 ORDERED AND ADJUDGED..."</p> <p>7 Do you see that in all caps; it's about in</p> <p>8 the middle of the page?</p> <p>9 <b>A. Yes, I see that on the paper.</b></p> <p>10 Q. Okay. It states, "IT IS NOW HEREBY ORDERED AND</p> <p>11 ADJUDGED that Plaintiffs UBS Securities, LLC," and then it</p> <p>12 lists an address, "are granted a judgment of \$519,374,149</p> <p>13 and entitled to prejudgment interest in the amount of</p> <p>14 9 percent simple interest per year from the date of the</p> <p>15 breach, which the Court has determined is December 5th,</p> <p>16 2008, for an overall judgment as of January 22nd, 2020, of</p> <p>17 \$1,039,957,799.44, with additional interest per day</p> <p>18 thereafter of \$128,065 until entry of judgment, to be</p> <p>19 apportioned among Defendants as follows...," and then</p> <p>20 there's an apportionment in the following paragraph.</p> <p>21 Do you see where I just read?</p> <p>22 <b>A. I do.</b></p> <p>23 Q. Did you have any knowledge of this \$1 billion</p> <p>24 judgment being entered against the Highland Entities?</p> <p>25 MS. SMITH: Objection to form.</p>

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23 (89 to 92)

89	1 THE WITNESS: Not that I remember. 2 BY MR. BURT: 3 Q. It was never discussed in the legal department 4 that there was a billion-dollar judgment -- 5 MS. SMITH: Objection to form. 6 BY MR. BURT: 7 Q. -- against the Highland Entities? 8 <b>A. I don't know if it was discussed within the legal</b> 9 <b>department, but I don't recall this.</b> 10 Q. It was never discussed with you; is that fair? 11 <b>A. Not that I recall.</b> 12 Q. Okay. You reported directly to Mr. Ellington; is 13 that right? 14 <b>A. Yes.</b> 15 Q. Do you recall Mr. Ellington ever discussing that 16 a billion-dollar judgment had been entered against the 17 Highland Entities? 18 MS. SMITH: Objection to form. 19 THE WITNESS: Not that I recall. 20 BY MR. BURT: 21 Q. And do you recall ever being asked to do any work 22 in relation to that judgment? 23 <b>A. I don't recall that, no.</b> 24 Q. How about as it relates to Sentinel and an ATE 25 policy, do you recall that ever being discussed in the	91	1 BY MR. BURT: 2 Q. Okay. And why did you distinguish it that way? 3 <b>A. The default would be SAS for Cayman matters,</b> 4 <b>unless it related to something Highland; then it would be</b> 5 <b>on the Highland e-mail.</b> 6 Q. Okay. And did you have -- so take a typical -- 7 take -- take a typical workday. Did you have both e-mail 8 accounts open during a workday, and some e-mails it would 9 -- you were looking at Highland Capital, and other e-mails 10 you were looking at SAS? Is that how you would do it? 11 <b>A. Sometimes, yes.</b> 12 Q. Okay. How -- how did you do it at other times? 13 <b>A. Sometimes I would only have my Highland e-mail</b> 14 <b>and not access to the SAS e-mail.</b> 15 Q. Was SAS forwarded to your Highland account? 16 <b>A. No.</b> 17 Q. All right. And I believe you said that some 18 e-mails did go to your personal e-mail address. 19 MS. SMITH: Objection to form. 20 BY MR. BURT: 21 Q. Is that right? 22 <b>A. Yes. I -- I forwarded a few e-mails to my</b> 23 <b>personal e-mail.</b> 24 Q. And why would you do that? 25 <b>A. If I needed to print them or needed easier access</b>
90	1 context of a judgment against the Highland Entities? 2 MS. SMITH: Objection to form. 3 THE WITNESS: I don't know. 4 BY MR. BURT: 5 Q. You don't know, or you don't recall? 6 <b>A. I don't know.</b> 7 Q. Okay. All right. 8 All right. Well, we're going to come back 9 to that topic in a little bit. You can put that exhibit 10 to the side. 11 I was going to ask earlier, when we went 12 through your various e-mail addresses, Mrs. Irving, was 13 there -- how did you demarcate between using the Highland 14 Capital e-mail versus the SAS Management e-mail? 15 <b>A. Sure.</b> 16 <b>If it was a matter related to Highland or</b> 17 <b>any of the Highland funds, Highland-related assets, it</b> 18 <b>would be on the Highland e-mail.</b> 19 <b>If it were a purely Cayman-centric topic,</b> 20 <b>likely it would be on the SAS e-mail.</b> 21 Q. Any Cayman topic would be on SAS e-mail? 22 MS. SMITH: Objection to form. 23 THE WITNESS: I don't know that I can say 24 "any Cayman topic," but, generally, that was how it was 25 distinguished.	92	1 <b>to them for some reason.</b> 2 Q. Before you -- I believe you testified that you 3 actually changed companies right in the middle of -- of 4 your children coming. 5 So it's -- it doesn't sound like you had an 6 opportunity to actually go in and clean out an office or 7 anything like that; is that right? 8 <b>A. I did collect some personal belongings while I</b> 9 <b>was very pregnant --</b> 10 Q. Right. 11 <b>A. -- from the HCMLP office.</b> 12 Q. Okay. So prior to giving birth, you were aware 13 that things were -- were switching? 14 <b>A. Yes. I -- well, I don't know if that's fair to</b> 15 <b>say I was aware things were switching. I don't know. But</b> 16 <b>I knew I wanted to get my personal items out. I wasn't --</b> 17 <b>I was on leave. I knew it was going to be limited on when</b> 18 <b>I could go back and get personal items.</b> 19 Q. Uh-huh. 20 Was -- was that the only reason you went to 21 get personal items, or was it also -- were you asked to 22 leave HCMLP? 23 MS. SMITH: Objection to form. 24 THE WITNESS: The reason I went to get my 25 personal items was because I was really pregnant, and I



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24 (93 to 96)

93	<p>1 didn't know when I would be back and able to get them.</p> <p>2 BY MR. BURT:</p> <p>3 Q. Right.</p> <p>4 So I'm just asking: Were you asked to -- to</p> <p>5 leave HCMLP?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 THE WITNESS: I suppose I was asked to leave</p> <p>8 when I was terminated --</p> <p>9 BY MR. BURT:</p> <p>10 Q. Okay.</p> <p>11 <b>A. -- while I was in the hospital.</b></p> <p>12 Q. And so you were terminated from HCMLP while in</p> <p>13 the hospital?</p> <p>14 <b>A. I believe so, consistent with the other bulk</b></p> <p>15 <b>employee terminations.</b></p> <p>16 Q. Okay. Since that time, since -- since being</p> <p>17 terminated from HCMLP, have you had any communications</p> <p>18 with Mr. Dondero?</p> <p>19 <b>A. No.</b></p> <p>20 Q. How about with Mr. Ellington?</p> <p>21 <b>A. Yes. Really just to check in, personal matters.</b></p> <p>22 Q. Other than personal-related communications, have</p> <p>23 you had any communications with Mr. Ellington?</p> <p>24 <b>A. No. Only related to how I'm doing and, you know,</b></p> <p>25 <b>potentially, I intend to come back to work with him again.</b></p>	95	<p>1 <b>A. I don't.</b></p> <p>2 Q. How about Thomas Surgent, do you know who that</p> <p>3 is?</p> <p>4 <b>A. Yes.</b></p> <p>5 Q. And what did he do?</p> <p>6 <b>A. He was the head of compliance and the deputy</b></p> <p>7 <b>general counsel.</b></p> <p>8 Q. Have you had any communications with him?</p> <p>9 <b>A. During what time period?</b></p> <p>10 Q. Since leaving HCMLP. Excuse me.</p> <p>11 <b>A. No, not that I recall.</b></p> <p>12 Q. Do you know -- in relation to Sentinel, do you</p> <p>13 know whether either of those two gentlemen had anything to</p> <p>14 do with Sentinel Reinsurance?</p> <p>15 MS. SMITH: Objection to form.</p> <p>16 THE WITNESS: Either David Klaus or Tom</p> <p>17 Surgent --</p> <p>18 BY MR. BURT:</p> <p>19 Q. Correct.</p> <p>20 <b>A. -- had anything to do with Sentinel?</b></p> <p>21 Q. Correct.</p> <p>22 <b>A. Thomas was well-aware of Sentinel as head of</b></p> <p>23 <b>compliance. I don't know about David Klaus.</b></p> <p>24 Q. And you say he is "well-aware."</p> <p>25 How did you know he was well-aware of</p>
94	<p>1 Q. Okay. Apart from that, nothing else?</p> <p>2 <b>A. No.</b></p> <p>3 Q. How about with Mr. Leventon?</p> <p>4 <b>A. No. General check-in.</b></p> <p>5 Q. Nothing business-related?</p> <p>6 <b>A. No.</b></p> <p>7 Q. How about with Mr. Sevilla?</p> <p>8 <b>A. Just personal.</b></p> <p>9 Q. And Mr. DiOrio?</p> <p>10 <b>A. Personal.</b></p> <p>11 Q. Nothing business-related?</p> <p>12 <b>A. No.</b></p> <p>13 Q. Nothing related to the subpoenas?</p> <p>14 <b>A. No.</b></p> <p>15 Q. How about with current HCMLP employees such as</p> <p>16 David Klaus, have you had any communications with</p> <p>17 Mr. Klaus?</p> <p>18 <b>A. I don't believe so.</b></p> <p>19 Q. And do you know who Mr. Klaus is?</p> <p>20 <b>A. Yes.</b></p> <p>21 Q. Okay. Who is he?</p> <p>22 <b>A. He was -- was the controller, essentially. I</b></p> <p>23 <b>don't know if that's his exact title, but function as</b></p> <p>24 <b>controller at HCMLP.</b></p> <p>25 Q. Do you know what he is doing now?</p>	96	<p>1 Sentinel?</p> <p>2 <b>A. I sat outside his office. In a trading-desk</b></p> <p>3 <b>environment, you hear a lot. I know that he, as head of</b></p> <p>4 <b>compliance, would have been involved and made certain</b></p> <p>5 <b>determinations related to affiliate or nonaffiliate for</b></p> <p>6 <b>various corporate disclosures.</b></p> <p>7 Q. So you overheard things?</p> <p>8 <b>A. Yes.</b></p> <p>9 Q. That Mr. Surgent was working on that related to</p> <p>10 Sentinel?</p> <p>11 <b>A. Yes.</b></p> <p>12 Q. How about related to an ATE policy, do you recall</p> <p>13 that ever coming up, overhearing anything about that?</p> <p>14 <b>A. In relation to Mr. Surgent?</b></p> <p>15 Q. Yeah.</p> <p>16 <b>A. I can't recall specifically; however, I do</b></p> <p>17 <b>believe hearing he was involved in it.</b></p> <p>18 Q. And who told you that?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 THE WITNESS: It would just be general</p> <p>21 hearing in the trading desk. It was all open. So you</p> <p>22 would hear a lot of people on the phone. You would hear</p> <p>23 people in meetings with doors open. It's quite a loud</p> <p>24 environment.</p> <p>25 BY MR. BURT:</p>

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25 (97 to 100)

97	1 Q. So in that general open environment with 2 overhearing a lot of things, you never once heard that 3 there was a billion-dollar judgment against Highland? 4 MS. SMITH: Objection to form. 5 THE WITNESS: Not that I recall. 6 BY MR. BURT: 7 Q. All right. 8 And the ATE policy, you overheard that, that 9 Mr. Surgent was discussing that? 10 A. Yes. 11 Q. Anything else specifically related to that ATE 12 policy that you recall overhearing? 13 A. I don't know. 14 Q. Mrs. Irving, do you need a break? I think we 15 might have been going for about an hour. 16 A. I'm -- I'm okay for now. 17 MS. HARTMANN: Yeah. Lunch is here, so why 18 don't -- I don't know if you're moving into another topic. 19 MR. BURT: I am about to move into another 20 topic. So if this is a -- 21 MS. HARTMANN: So how long do you think 22 you'll need on the next topic? 23 MR. BURT: It'll be hefty. So if this -- we 24 can -- I'm perfectly fine to break for lunch here. 25 THE WITNESS: We can break if -- if you	99	1 we've seen verbal looks; we've seen a bunch of things that 2 we think is entirely inconsistent with what Ms. -- Ms. 3 Dandeneau -- if it was personal, would you mind providing 4 those notes to us? 5 MS. HARTMANN: It's about our client crying 6 during your deposition. And, no, we're not going to 7 produce it, because it's -- we have an attorney-client 8 privilege. I'm not coaching; I'm not kicking; I have not 9 said a word. 10 MS. SMITH: We're four feet away. 11 MR. BURT: We've seen it. We're making a 12 record of it. 13 MS. HARTMANN: What -- can you be specific? 14 MR. BURT: Yes. No -- additional notes 15 being passed, additional things. 16 MS. HARTMANN: What -- what notes? 17 MR. BURT: Ms. Smith constantly looks over 18 for direction on when to object. We ask that it stop. 19 It's in- -- it's inconsistent with what Ms. Dandeneau 20 said. 21 MS. HARTMANN: We'd like a video of me, 22 then. 23 MR. BURT: And we have -- well, that's fine, 24 if you want to be on the deposition for the rest of the 25 day.
98	1 think it makes sense. 2 (Off-record discussion.) 3 THE VIDEOGRAPHER: Off the record at 11:49 4 a.m. 5 (Lunch break taken.) 6 THE VIDEOGRAPHER: Back on record at 12:29 7 p.m. 8 MR. BURT: Following an example of 9 Ms. Smith, I -- I want to make a little bit of a record of 10 my own. Prior to this deposition, there were discussions 11 held between Mr. Clubok and Deb Dandeneau regarding 12 whether there would be any coaching of Ms. Smith during 13 this deposition by Baker attorneys, and it was represented 14 to Mr. Clubok that there would be absolutely no 15 interaction or coaching during the deposition, that there 16 would be no -- no note-passing, no kicking under the 17 table, anything of that sort. 18 What we have seen today is exactly the 19 opposite. There's been note-passing; there's been 20 communications, and it's directly contrary to the 21 representation that Ms. Dandeneau provided to Mr. Clubok, 22 and we ask that it stop. 23 MS. SMITH: There's been two notes passed, 24 and it was something personal. 25 MR. BURT: Well, we've seen notes passed;	100	1 MS. HARTMANN: Yeah. You can put the video 2 on me, because that is entirely wrong. I have not coached 3 a single time, and I -- I -- 4 MR. BURT: And we -- 5 MS. HARTMANN: -- I am against everything 6 you're saying right now with regard to -- 7 MR. BURT: Well, that's fine. 8 MS. HARTMANN: -- it's not true. I have not 9 coached a single time. 10 MR. BURT: And we know that Baker is being 11 paid by Sentinel for this work. So we have that on the 12 record as well. 13 MS. HARTMANN: And I object to your 14 testimony. Would you like to be under oath? 15 MR. BURT: Well, we -- we have the witness's 16 testimony on that. 17 MS. HARTMANN: The witness did not say that. 18 You can video me -- 19 MR. BURT: Well, the -- the record speaks 20 for itself. 21 MS. HARTMANN: You can video me the entire 22 time. I have not coached a single time. I can send a 23 note saying: My client is crying. Should we take a 24 break? Because your questioning made her cry. 25 MR. BURT: The record and the video speaks

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26 (101 to 104)

101	1 for itself. 2 MS. HARTMANN: It does. 3 MR. BURT: Okay. 4 BY MR. BURT: 5 Q. Mrs. Irving, you -- I want to just follow up on a 6 couple of things before I move into a new topic. 7 You testified that the default was to use 8 your SAS e-mail for Cayman's related business; is that 9 right? 10 A. Yes. 11 Q. Why? 12 A. Because SAS is a Cayman company. 13 Q. Did somebody direct you to use SAS e-mails for 14 Cayman-related business? 15 A. Not that I recall. 16 Q. Were you aware that SAS e-mails resided on a 17 separate server from HCMLP e-mails? 18 A. Yes. 19 Q. And do you know why that is? 20 A. No. 21 Q. Do you know whether SAS e-mails have been 22 produced in this case? 23 MS. SMITH: Objection to form. 24 THE WITNESS: I don't know. 25 BY MR. BURT:	103	1 funding pitch. 2 Q. What else? 3 A. (No response.) 4 Q. That was all you did? 5 MS. SMITH: Objection to form. 6 THE WITNESS: Could you rephrase the 7 question? 8 BY MR. BURT: 9 Q. Well, I'm just trying to understand everything 10 that you did in relation to analyzing an ATE prior to an 11 ATE policy being issued by Sentinel. So that's what I'm 12 trying to understand, everything that you did. 13 So anything else in addition to what you've 14 just testified about? 15 A. My primary role was to look at recoverability. 16 Attorneys would diligence other matters that I wouldn't, 17 legal matters. 18 Q. And when you say "recoverability," what, 19 specifically, are you referring to? 20 A. Meaning if -- if there was an investment made 21 into a case, litigation funding or a ATE, would -- would 22 the business be able to get recoverability from whatever 23 the legal case was. 24 Q. Okay. And "the business" being the -- the 25 business that was -- that Sentinel was considering
102	1 Q. You also talked about diligence you would do 2 for -- prior to ATEs being done at Sentinel, right; you 3 would some -- on an ad hoc basis do diligence related to 4 those ATEs; is that right? 5 A. Yes, sometimes. 6 Q. Okay. Who instructed you to do that? 7 MS. SMITH: Objection to form. 8 THE WITNESS: I don't recall. 9 BY MR. BURT: 10 Q. Did Mr. Ellington? 11 A. I don't recall. 12 Q. And your testimony was -- and if I'm wrong, 13 please correct me -- that you do not -- you did not do 14 that diligence for the ATE that you did recall where funds 15 were transferred over to Sentinel; is that correct? 16 MS. SMITH: Objection to form. 17 THE WITNESS: That's correct. 18 BY MR. BURT: 19 Q. All right. Do you know if anybody did diligence 20 for that ATE? 21 A. I don't know. 22 Q. And when you did diligence, what did you do? 23 A. I would take a look at the recoverability of the 24 plaintiff, have discussions around likelihood of success 25 on a case. It would be in compliment to the litigation	104	1 insuring; is that right? 2 A. Sorry. Could you say that again? 3 Q. You said "the business," whether the business 4 could recover, and I'm just wondering: Is that the 5 business that Sentinel was considering insuring? 6 A. Which the business could recover, yes, and -- 7 yes. 8 Q. Okay. So the business at issue in the 9 litigation, you would analyze whether it could recover and 10 whether it was -- did you do analysis of whether it made 11 financial sense for Sentinel to issue that policy? 12 MS. SMITH: Objection to form. 13 THE WITNESS: It was more diligence on the 14 underlying case that I performed. 15 BY MR. BURT: 16 Q. Okay. Looking at allegations in the underlying 17 case, for example? 18 A. More on the financial side, more on the financial 19 side. 20 Q. So how much was at issue in this case? 21 A. Yes. 22 Q. What damages could be? 23 A. Yes. 24 Q. Did you have -- 25 A. Who's getting a piece of the recovery.

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27 (105 to 108)

105	<p>1 Q. Did you analyze the financial position of the</p> <p>2 business that was seeking insurance?</p> <p>3 <b>A. Not that I recall, primarily because most of the</b></p> <p>4 <b>potential clients were insolvent estates.</b></p> <p>5 Q. Okay. Were they -- were these potential clients</p> <p>6 related in any way to HCMLP?</p> <p>7 <b>A. No.</b></p> <p>8 Q. They were -- they were third-party entities with</p> <p>9 no affiliation whatsoever with HCMLP?</p> <p>10 <b>A. That's -- I think that's right. I'm not</b></p> <p>11 <b>100 percent sure.</b></p> <p>12 Q. Okay. Now, in the ATE policy that you are aware</p> <p>13 of that was issued, do you know whether the insured in</p> <p>14 that case was related in any way to HCMLP?</p> <p>15 <b>A. I can't say with certainty.</b></p> <p>16 Q. All right. We'll come back to that.</p> <p>17 And so -- again, so the record is clear,</p> <p>18 you're not aware of whether diligence was conducted for</p> <p>19 that ATE policy that you testified about?</p> <p>20 <b>A. I --</b></p> <p>21 MS. SMITH: Objection to form.</p> <p>22 THE WITNESS: I don't know.</p> <p>23 BY MR. BURT:</p> <p>24 Q. And you didn't do it?</p> <p>25 <b>A. I did not do it, no.</b></p>	107	<p>1 <b>A. Yes.</b></p> <p>2 Q. And it was dealing with -- the subject on both of</p> <p>3 them is "Entity Restructure Sentinel," isn't it?</p> <p>4 <b>A. Yes.</b></p> <p>5 Q. Were you aware, prior to seeing this just now,</p> <p>6 that this exhibit had been used in a prior deposition?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: Not -- no, not that I recall.</p> <p>9 BY MR. BURT:</p> <p>10 Q. No one had ever shown you this exhibit?</p> <p>11 <b>A. I don't believe so.</b></p> <p>12 Q. Had anybody read to you this exhibit?</p> <p>13 <b>A. Not that I remember.</b></p> <p>14 Q. Okay. Now, you write from your e-mail -- the</p> <p>15 first e-mail to Stephen Beck on April 10th, 2019.</p> <p>16 Who was Mr. Beck?</p> <p>17 <b>A. He is tax counsel.</b></p> <p>18 Q. Where does he work?</p> <p>19 <b>A. Meadows Collier.</b></p> <p>20 Q. And where is that located?</p> <p>21 <b>A. I believe Steve's in Dallas.</b></p> <p>22 Q. And he is tax counsel for whom?</p> <p>23 <b>A. I don't know.</b></p> <p>24 Q. Was he tax counsel for Sentinel?</p> <p>25 MS. SMITH: Objection, form.</p>
106	<p>1 Q. Do you know when Sentinel was formed?</p> <p>2 <b>A. It was prior to my starting at Highland, so</b></p> <p>3 <b>pre-2013.</b></p> <p>4 Q. Did you ever learn who decided to establish</p> <p>5 Sentinel?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 THE WITNESS: I don't know.</p> <p>8 BY MR. BURT:</p> <p>9 Q. You don't know if you ever learned that?</p> <p>10 <b>A. I don't know if I ever learned that.</b></p> <p>11 Q. Okay. This is -- this exhibit has been used in</p> <p>12 prior deposition; it's No. 28.</p> <p>13 <b>A. (Witness reviews document.) Okay.</b></p> <p>14 Q. Have you ever seen this before, Exhibit 28?</p> <p>15 <b>A. I don't recall specifically. Presumably I've</b></p> <p>16 <b>seen it, since it looks like I was the author on the</b></p> <p>17 <b>e-mail.</b></p> <p>18 Q. Okay. So looking at the first page -- in fact,</p> <p>19 there's two e-mails, and you're the author of both of</p> <p>20 them, aren't you?</p> <p>21 <b>A. I -- I see that here on this paper.</b></p> <p>22 Q. And it's from your SAS e-mail, it appears?</p> <p>23 <b>A. It appears that way, yes.</b></p> <p>24 Q. Okay. And these -- both of these e-mails were</p> <p>25 written in April of 2019, correct?</p>	108	<p>1 THE WITNESS: I don't know the details on</p> <p>2 the engagement letter, as to who their contracting entity</p> <p>3 is.</p> <p>4 BY MR. BURT:</p> <p>5 Q. Well, why would you have been writing to him with</p> <p>6 this information and these questions if he weren't tax</p> <p>7 counsel for Sentinel?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 THE WITNESS: I don't know how his</p> <p>10 engagement letter is structured, but he would advise</p> <p>11 around these matters.</p> <p>12 BY MR. BURT:</p> <p>13 Q. Oh, okay.</p> <p>14 So he might not have been engaged by</p> <p>15 Sentinel, but he might have advised on Sentinel?</p> <p>16 <b>A. I don't know --</b></p> <p>17 MS. SMITH: Objection to form.</p> <p>18 THE WITNESS: I don't know where his</p> <p>19 engagement letter sits.</p> <p>20 BY MR. BURT:</p> <p>21 Q. I understand. I'd ask you to listen to my</p> <p>22 question.</p> <p>23 He might not have been enga- -- been engaged</p> <p>24 by Sentinel, but he would offer advice surrounding</p> <p>25 Sentinel; is that right?</p>

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28 (109 to 112)

109	<p>1 <b>A. I don't know.</b></p> <p>2 Q. Well, you sent him this e-mail.</p> <p>3 <b>A. Uh-huh.</b></p> <p>4 Q. Why did you send him this e-mail if you don't</p> <p>5 know?</p> <p>6 <b>A. Because he is a professional that would provide</b></p> <p>7 <b>tax guidance.</b></p> <p>8 Q. To whom?</p> <p>9 <b>A. He would provide tax advice to Sentinel.</b></p> <p>10 Q. Okay. So --</p> <p>11 <b>A. I don't know where his engagement letter sat</b></p> <p>12 <b>specifically.</b></p> <p>13 Q. So he might have been engaged by another Highland</p> <p>14 entity, by another HCMLP entity; is that fair?</p> <p>15 <b>A. No.</b></p> <p>16 Q. Okay. So who --</p> <p>17 MS. SMITH: Objection to form.</p> <p>18 MR. BURT: Excuse me.</p> <p>19 BY MR. BURT:</p> <p>20 Q. So who would have engaged him if he were</p> <p>21 providing tax advice for Sentinel?</p> <p>22 <b>A. It could have been someone else in the Cayman</b></p> <p>23 <b>structure. It would not have been HCMLP.</b></p> <p>24 Q. Okay. So -- and when you refer to "Cayman</p> <p>25 structure," are you referring to the Cayman structure of</p>	111	<p>1 BY MR. BURT:</p> <p>2 Q. Fair point. Let me be more precise.</p> <p>3 Was it common that outside counsel would</p> <p>4 provide advice for entities with whom they had no</p> <p>5 engagement?</p> <p>6 <b>A. No.</b></p> <p>7 Q. That was not common?</p> <p>8 <b>A. No.</b></p> <p>9 Q. But that was happening here?</p> <p>10 MS. SMITH: Objection to form.</p> <p>11 THE WITNESS: No.</p> <p>12 BY MR. BURT:</p> <p>13 Q. It wasn't?</p> <p>14 <b>A. No.</b></p> <p>15 Q. So did he have an engagement with Sentinel?</p> <p>16 <b>A. I don't know where his engagement letter sat. He</b></p> <p>17 <b>provided -- I think it says even in here: I appreciate</b></p> <p>18 <b>we'll need to address client for this matter.</b></p> <p>19 <b>I don't know exactly where the engagement</b></p> <p>20 <b>letter sat. It could have sat anywhere in this ownership</b></p> <p>21 <b>chain, which would have been impacted by advice where</b></p> <p>22 <b>Sentinel was involved.</b></p> <p>23 Q. Well, see, and that was my question. Was that a</p> <p>24 common thing, that outside counsel wouldn't be engaged by</p> <p>25 the entity for which they were providing advice, but by</p>
110	<p>1 Sentinel?</p> <p>2 <b>A. Yes.</b></p> <p>3 Q. And that's on page 4 of this exhibit; is that</p> <p>4 right?</p> <p>5 <b>A. Yes.</b></p> <p>6 Q. Okay.</p> <p>7 <b>A. It appears that way, yes.</b></p> <p>8 Q. So he might have been engaged by one of the</p> <p>9 myriad of entities that is listed in this structure; is</p> <p>10 that fair?</p> <p>11 <b>A. He could have been.</b></p> <p>12 MS. SMITH: Objection to form.</p> <p>13 THE WITNESS: He could have been. I don't</p> <p>14 know. I don't know who his engagement letter was with.</p> <p>15 BY MR. BURT:</p> <p>16 Q. But what you do know is that he provided tax</p> <p>17 advice for Sentinel?</p> <p>18 <b>A. Yes.</b></p> <p>19 Q. Okay. Was it common that outside counsel would</p> <p>20 provide advice for entities with whom they had no</p> <p>21 engagement?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 THE WITNESS: I didn't say he had no</p> <p>24 engagement; I said I don't know where the engagement</p> <p>25 letter sat.</p>	112	<p>1 one of the other entities in the -- in the ownership</p> <p>2 chain?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 THE WITNESS: I don't recall. I don't know.</p> <p>5 BY MR. BURT:</p> <p>6 Q. So you write: Hi, Steve. Further to entity</p> <p>7 liquidations discussions last year, the Sentinel</p> <p>8 Reinsurance, Ltd., regulator Cayman Islands Monetary</p> <p>9 Authority (CIMA) is asking that the Sentinel structure be</p> <p>10 simplified, page 2 of the attached org chart. CIMA</p> <p>11 specifically called out Elderflower, Ltd.; Brave Holdings,</p> <p>12 Ltd.; Nimitz, Ltd.; Patton, Ltd.; and Sentinel Re</p> <p>13 Holdings, Ltd., in the report. I believe we discussed</p> <p>14 some of these liquidations last year.</p> <p>15 Okay. Now, earlier today in your</p> <p>16 deposition, you talked meetings that you attended with</p> <p>17 CIMA; is that right?</p> <p>18 <b>A. Yes.</b></p> <p>19 Q. And I think you testified about an August 2019</p> <p>20 meeting with CIMA?</p> <p>21 <b>A. I believe so, yes.</b></p> <p>22 Q. And you -- I believe you testified -- and if I'm</p> <p>23 wrong, please correct me -- that during that meeting CIMA</p> <p>24 discussed simplifying the Sentinel structure; is that</p> <p>25 right?</p>

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29 (113 to 116)

113	<p>1 MS. SMITH: Objection to form.</p> <p>2 THE WITNESS: From what I recall, yes.</p> <p>3 BY MR. BURT:</p> <p>4 Q. What was the other meeting that you recall</p> <p>5 attending with CIMA?</p> <p>6 <b>A. I can't remember the details of the meeting, but</b></p> <p>7 <b>I believe there was another one.</b></p> <p>8 Q. When was it?</p> <p>9 <b>A. I don't remember.</b></p> <p>10 Q. Was it before or after the August 2019 meeting?</p> <p>11 <b>A. I don't remember.</b></p> <p>12 Q. What was discussed at that meeting?</p> <p>13 <b>A. I don't recall specifically.</b></p> <p>14 Q. Do you know whether you discussed the</p> <p>15 simplification of the Sentinel structure?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 THE WITNESS: I don't -- I don't remember.</p> <p>18 BY MR. BURT:</p> <p>19 Q. You don't remember anything about that second</p> <p>20 meeting?</p> <p>21 MS. SMITH: Objection, asked and answered.</p> <p>22 THE WITNESS: I don't.</p> <p>23 BY MR. BURT:</p> <p>24 Q. Okay. Other than those two meetings, were there</p> <p>25 any other meetings with CIMA that you attended?</p>	115	<p>1 MS. SMITH: Objection to form.</p> <p>2 THE WITNESS: I don't know.</p> <p>3 BY MR. BURT:</p> <p>4 Q. You would discuss entity liquidations. Do you</p> <p>5 know whether any entity liquidations actually occurred</p> <p>6 between 2018 and 2019?</p> <p>7 <b>A. I don't know.</b></p> <p>8 Q. Well, the last line of your first -- of the first</p> <p>9 paragraph in this e-mail, you said: I believe we</p> <p>10 discussed some of these liquidations last year, apparently</p> <p>11 referring to Elderflower, Brave Holdings, Nimitz, Patton,</p> <p>12 and Sentinel Re Holdings, Ltd.; is that right?</p> <p>13 <b>A. It appears so, yes.</b></p> <p>14 Q. Do you recall discussing the liquidations of</p> <p>15 those specific entities in 2018?</p> <p>16 <b>A. I don't recall it specifically, other than I see</b></p> <p>17 <b>it here on this paper.</b></p> <p>18 Q. And you have no reason to disagree that that's</p> <p>19 what you wrote?</p> <p>20 MS. SMITH: Objection to form.</p> <p>21 THE WITNESS: This seems reasonable based on</p> <p>22 this paper.</p> <p>23 BY MR. BURT:</p> <p>24 Q. Okay. And if we look at page 4, let's take,</p> <p>25 first, Elderflower.</p>
114	<p>1 <b>A. I don't recall.</b></p> <p>2 Q. What were you referring to when you state -- when</p> <p>3 you said you were talk -- you had discussed entity</p> <p>4 liquidations last year?</p> <p>5 <b>A. Likely that there were significant carrying costs</b></p> <p>6 <b>to the various entities. So we constantly would review to</b></p> <p>7 <b>see how we could streamline to reduce carrying costs.</b></p> <p>8 Q. And by "carrying costs," what are you referring</p> <p>9 to specifically?</p> <p>10 <b>A. Registered office fees, directorship costs.</b></p> <p>11 <b>Those are the primary costs.</b></p> <p>12 Q. So expenses associated with the various entities?</p> <p>13 <b>A. Yes.</b></p> <p>14 Q. Okay. So you -- you had had discussions in 2018</p> <p>15 about costs associated with the Sentinel structure?</p> <p>16 <b>A. It looks like it, yes.</b></p> <p>17 Q. All right. Now, looking back at page 4 of this</p> <p>18 document on the last page, if you can turn to that,</p> <p>19 please --</p> <p>20 <b>A. (Witness complies.)</b></p> <p>21 Q. -- it says, "Sentinel structure as of 9th of</p> <p>22 April 2019;" is that right?</p> <p>23 <b>A. I see that.</b></p> <p>24 Q. Now, had any changes happened in the Sentinel</p> <p>25 structure between 2018 and 2019?</p>	116	<p>1 Do you see right under, at the top left,</p> <p>2 "USP1," there's an entity called "Elderflower, Ltd.,"</p> <p>3 listed?</p> <p>4 <b>A. I see that.</b></p> <p>5 Q. So Elderflower still existed in April of 2019,</p> <p>6 correct?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: I don't know. I know that</p> <p>9 this is a draft. I don't know.</p> <p>10 BY MR. BURT:</p> <p>11 Q. Well, this says, "Sentinel structure as of 9th of</p> <p>12 April 2019," right?</p> <p>13 <b>A. Yes. And it says "Draft" on the bottom of the</b></p> <p>14 <b>page, and I don't know --</b></p> <p>15 Q. You don't know what?</p> <p>16 <b>A. I don't know whether there was any change within</b></p> <p>17 <b>April of 2019.</b></p> <p>18 Q. Okay. So let's say March 31st of 2019.</p> <p>19 Is that the structure? Was Elderflower in</p> <p>20 the structure?</p> <p>21 <b>A. It would appear that way. I can't say for sure.</b></p> <p>22 Q. Brave Holdings, Ltd., do you see under "USP2,"</p> <p>23 "Brave Holdings, Ltd., Cayman"?</p> <p>24 <b>A. Yes, I do.</b></p> <p>25 Q. So as of at least the end of March 2019, Brave</p>

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30 (117 to 120)

117	<p>1 Holdings, Ltd., appears to still have been an entity, 2 right? 3 MS. SMITH: Objection to form. 4 BY MR. BURT: 5 Q. In the Sentinel structure? 6 <b>A. It appears that way, but I don't know for sure.</b> 7 Q. So it appears that it was not liquidated in 2018, 8 pursuant to discussions you might have had with tax 9 counsel? 10 <b>A. It appears still on this paper, which is marked</b> 11 <b>"Draft" in April 2019, so I would -- that's reasonable.</b> 12 Q. Okay. Do you have any recollection of it being 13 liquidated in 2018 or 2019? 14 <b>A. I don't recall.</b> 15 Q. Do you recall after meeting with CIMA that there 16 actually was some liquidations of these entities? 17 <b>A. Yes, I do.</b> 18 Q. Okay. So you have a memory of that. 19 Other than that, do you recall any of these 20 entities being liquidated? 21 <b>A. What do you mean by "these entities"?</b> 22 Q. Listed here on page 4 of this document. 23 <b>A. On page 4 or on page 1?</b> 24 Q. Page 4 in the Sentinel structure. 25 <b>A. The question is: Were any of these entities</b></p>	119	<p>1 THE WITNESS: Other than it's a draft, I -- 2 I don't know. 3 BY MR. BURT: 4 Q. Is it consistent with your recollection of how 5 these entities were structured? 6 MS. SMITH: Objection to form. 7 THE WITNESS: I don't remember. 8 BY MR. BURT: 9 Q. Do you know who USB -- USP1 is? 10 <b>A. No.</b> 11 Q. How about USP2? 12 <b>A. No.</b> 13 Q. No knowledge whatsoever? 14 <b>A. No.</b> 15 Q. Okay. We'll come back to that. 16 You then state in your e-mail on page 1: We 17 have a five-year taint issue as Montage, Anthem, and 18 Mainspring used to be CFCs, de-CFC'D in October 2014. 19 What were you referring to there? 20 <b>A. Three entities which used to be controlled</b> 21 <b>foreign corps, as classified by Deloitte, who was our tax</b> 22 <b>advisor. There was a restructure in 2014 referenced here,</b> 23 <b>de-CFC'd in October of 2014.</b> 24 Q. What was that restructure? 25 <b>A. It was -- it was to -- to remove those three</b></p>
118	<p>1 <b>liquidated?</b> 2 Q. Other than the liquidation that happened pursuant 3 to what was going on with CIMA, do you have any 4 recollection of any of these other entities being 5 liquidated? 6 <b>A. I don't know.</b> 7 Q. And if we take Nimitz, Patton, and Sentinel Re 8 Holdings, Ltd., looking at -- looking at the structure, we 9 see, then, all three still listed: Nimitz, Ltd., at the 10 bottom; Patton, Ltd., both owners of Sentinel Re Holdings, 11 Ltd., correct? 12 MS. SMITH: Objection to form. 13 THE WITNESS: On this paper I see Nimitz and 14 Patton, Ltd., owning Sentinel Re Holdings, Ltd. 15 BY MR. BURT: 16 Q. And Patton held 70 percent? 17 <b>A. Of value. That's what it says here.</b> 18 Q. And 91 percent of the vote? 19 <b>A. That's what it says here on this paper.</b> 20 Q. And Nimitz held 30 percent value and 9 percent of 21 the vote? 22 <b>A. That's what this paper says.</b> 23 Q. Okay. Any reason to disagree with what this 24 paper says? 25 MS. SMITH: Objection to form.</p>	120	<p>1 <b>entities from controlled foreign corporation status, as</b> 2 <b>classified by the tax advisors.</b> 3 Q. Did they stay within the Sentinel ownership 4 structure? 5 MS. SMITH: Objection to form. 6 THE WITNESS: They appear here on page 4. 7 BY MR. BURT: 8 Q. Okay. What was the "taint" issue that you're 9 referring to? 10 <b>A. It's tax nomenclature.</b> 11 Q. And what does it refer to? 12 <b>A. I don't know exactly. I know there was some tax</b> 13 <b>issue where liquidating those entities would have caused a</b> 14 <b>tax burden.</b> 15 Q. You said -- and I'm reading from the transcript 16 here -- "as classified by Deloitte, our tax" -- "our" tax 17 advisor. Is that what you said? 18 <b>A. I don't have the transcript in front of me.</b> 19 Q. Would you like me to have the court reporter read 20 your testimony back to you -- 21 <b>A. No.</b> 22 Q. -- so we can confirm that's what you said? 23 <b>A. It's okay.</b> 24 Q. Okay. What did you mean by "our" tax advisor? 25 <b>A. Deloitte advised across multiple Cayman entities</b></p>

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31 (121 to 124)

121	<p>1 <b>within the structure as shown here on page 3 and 4.</b></p> <p>2 Q. 3 and 4.</p> <p>3 So for both SAS and for Sentinel, Deloitte</p> <p>4 advised?</p> <p>5 <b>A. Deloitte advised.</b></p> <p>6 Q. Did Deloitte offer any other advice to any HCMLP</p> <p>7 entities?</p> <p>8 <b>A. I don't know.</b></p> <p>9 MS. SMITH: Objection to form.</p> <p>10 BY MR. BURT:</p> <p>11 Q. Okay. Do you know with whom Deloitte had an</p> <p>12 engagement?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 THE WITNESS: I don't -- I don't know.</p> <p>15 BY MR. BURT:</p> <p>16 Q. Was their advice solely related to Cayman</p> <p>17 entities?</p> <p>18 <b>A. I believe so.</b></p> <p>19 MS. SMITH: Objection to form.</p> <p>20 BY MR. BURT:</p> <p>21 Q. You then state -- sorry -- going back to page 1</p> <p>22 that you understood that this tax issue was prohibiting</p> <p>23 liquidation of Elderflower and Brave Holdings, which you</p> <p>24 will see on org chart.</p> <p>25 Do you know why that was prohibiting</p>	123	<p>1 Q. The only thing -- so your testimony here today</p> <p>2 is: The only thing you recall about what CIMA was</p> <p>3 requesting was simplification of the structure?</p> <p>4 <b>A. Do you mean at any time that CIMA was a regulator</b></p> <p>5 <b>for Sentinel Reinsurance, Ltd.?</b></p> <p>6 Q. That's fair. Let me be more specific.</p> <p>7 So I'm talking about in this time period of</p> <p>8 2019, first half -- let's say the first three quarters of</p> <p>9 2019.</p> <p>10 What were the issues that you're aware of</p> <p>11 that CIMA was asking about or requiring?</p> <p>12 <b>A. I recall there was an audit report. CIMA did</b></p> <p>13 <b>some type of review and had a -- a laundry list of</b></p> <p>14 <b>queries, but it wasn't something that I handled directly</b></p> <p>15 <b>apart from this piece of simplification of the structure.</b></p> <p>16 Q. So your only involvement was with simplification</p> <p>17 of the structure?</p> <p>18 <b>A. From what I recall, yes.</b></p> <p>19 Q. Did you ever see that audit report?</p> <p>20 <b>A. I believe so.</b></p> <p>21 Q. Okay. Did you review it?</p> <p>22 <b>A. Probably.</b></p> <p>23 Q. And did you do work -- any -- did you do any work</p> <p>24 in response to that audit report?</p> <p>25 <b>A. Related to the simplification of the structure.</b></p>
122	<p>1 liquidation?</p> <p>2 <b>A. Because it would cause a tax burden. The taint</b></p> <p>3 <b>issue essentially relates to taxable -- tax liability.</b></p> <p>4 Q. So is it correct that it wasn't preventing it in</p> <p>5 a legal sense, but more tax would be incurred if there</p> <p>6 were liquidations?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: I don't know.</p> <p>9 BY MR. BURT:</p> <p>10 Q. You then state: We are looking to address these</p> <p>11 issues with CIMA ASAP. Could you please let us know when</p> <p>12 you are able to discuss?</p> <p>13 Why were you looking to address those issues</p> <p>14 with CIMA ASAP?</p> <p>15 <b>A. I'd have to -- I'd have to go back and look.</b></p> <p>16 <b>Presumably, there was something prompting this e-mail.</b></p> <p>17 Q. Do you recall what that was?</p> <p>18 <b>A. Not specifically.</b></p> <p>19 Q. Okay. How about generally, do you recall what</p> <p>20 that was?</p> <p>21 <b>A. Generally, CIMA requested simplification of the</b></p> <p>22 <b>structure as far back as I can recall.</b></p> <p>23 Q. Okay. Was there anything else that CIMA was</p> <p>24 requesting?</p> <p>25 <b>A. I don't know.</b></p>	124	<p>1 <b>That's all I recall.</b></p> <p>2 Q. Okay. And aside from the simplification of the</p> <p>3 structure, anything else that you might have done in</p> <p>4 relation to the audit report?</p> <p>5 MS. SMITH: Objection, asked and answered.</p> <p>6 THE WITNESS: Not that I recall.</p> <p>7 BY MR. BURT:</p> <p>8 Q. Who else worked on responding to the audit</p> <p>9 report?</p> <p>10 MS. SMITH: Objection, form.</p> <p>11 THE WITNESS: Beecher Carlson, Matt DiOrio,</p> <p>12 the other directors of Sentinel at the time. I don't</p> <p>13 recall who they were.</p> <p>14 BY MR. BURT:</p> <p>15 Q. What did Matt do?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 THE WITNESS: I -- I don't know. You have</p> <p>18 to ask Matt.</p> <p>19 BY MR. BURT:</p> <p>20 Q. Well, I'm talking specifically about this -- you</p> <p>21 -- you testified he worked in re- -- on a response to the</p> <p>22 CIMA audit report, and I'm asking: Well, what did he do?</p> <p>23 You understand the question?</p> <p>24 <b>A. I understand the question.</b></p> <p>25 <b>I don't recall specifically what the laundry</b></p>



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32 (125 to 128)

125	<p>1 list of items were from CIMA that needed to be rectified, 2 but Matt would have reviewed those and handled or raised 3 them for consideration to the other directors or to 4 Beecher. 5 Q. Why -- why Matt? 6 MS. SMITH: Objection to form. 7 THE WITNESS: I don't know. 8 BY MR. BURT: 9 Q. You don't know why Matt would have worked on 10 this? 11 MS. SMITH: Objection to form. 12 THE WITNESS: I don't recall if he was a 13 director at this stage or not. He did work on Sentinel 14 matters within our team. 15 BY MR. BURT: 16 Q. How long did he work on Sentinel matters for? 17 MS. SMITH: Objection to form. 18 THE WITNESS: I don't know. I -- I don't 19 know with certainty. I believe from the inception of his 20 employment, but I don't recall when that was. 21 BY MR. BURT: 22 Q. Let me ask it this way: The entire time that you 23 worked on Sentinel issues, did Matt also work on Sentinel 24 issues? 25 A. From what I recall, yes, mostly.</p>	127	<p>1 Matt DiOrio to Tom Adamczak -- oh, excuse me, I got that 2 backwards. Strike that. 3 It's from Clayton Price to Matt DiOrio 4 cc'ing Tom Adamczak; is that right? 5 A. That's what I see here, uh-huh. 6 Q. And Mr. Adamczak and Mr. Price were both at 7 Beecher Carlson? 8 MS. SMITH: Objection, form. 9 BY MR. BURT: 10 Q. If you know? 11 A. I don't know. 12 Q. Well, Mr. Adamczak, we know, was. I think we've 13 talked about that earlier; is that right? 14 A. Yes. It -- and it shows here. 15 Q. Okay. 16 A. I don't know about Mr. Price. 17 Q. Okay. You never worked directly with Clayton 18 Price? 19 A. Not that I recall specifically, no. 20 Q. Okay. Have you ever seen this e-mail before? 21 A. Not that I recall. I note that I'm not included 22 on this e-mail either as a recipient or cc'd. 23 Q. I understand. 24 You see that the date of this e-mail was 25 April 12th, 2019?</p>
126	<p>1 Q. It -- and is it correct that at one point he 2 became a director of Sentinel? 3 A. Yes. 4 Q. And you don't recall when that was, specifically? 5 A. I don't. 6 Q. Keep that exhibit handy. I'm going to mark a new 7 exhibit. I think this is our century-marked exhibit, 100. 8 (Exhibit 100 was marked for identification.) 9 THE WITNESS: Is this -- so what number is 10 this one? Because this one was 99. 11 MR. BURT: That had been used previously. 12 THE WITNESS: Okay. 13 MR. BURT: And so we are going sequentially 14 with our exhibit numbering. 15 THE WITNESS: Okay. 16 MR. BURT: So we're not renumbering that 17 one. I will refer to it as Exhibit 28. 18 THE WITNESS: Okay. 19 MR. BURT: Good question. It's a little 20 confusing. 21 THE WITNESS: (Witness reviews document.) 22 Okay. 23 BY MR. BURT: 24 Q. All right. So let's take a look at this e-mail 25 exchange. It appear -- it's a long e-mail. It's from</p>	128	<p>1 A. I see that. 2 Q. All right. Now, looking at Exhibit 28, you see 3 that the date of the -- your e-mail is on -- in Exhibit 28 4 were April 10th, 2019? 5 A. Uh-huh. 6 Q. So this was two days later, is that right, 7 Exhibit 100? 8 A. I see that here on the paper, yeah. 9 Q. Okay. All right. So Mr. -- Mr. Price writes to 10 Mr. DiOrio: Matt, I have advised Karen at GCS of the 11 desire to engage their services regarding the corporate 12 governance matters identified in the CIMA Inspection 13 Report and to provide input for a future AML template for 14 use with on-boarding with policyholders on a risk-based 15 approach. 16 So a couple of questions there. Do you know 17 who Karen at GCS was? 18 A. I don't. 19 Q. How about the CIMA Inspection Report, do you know 20 what that was? 21 A. Yes. It's the report I referenced earlier. 22 Q. Okay. You called it an "audit report," but by 23 that -- 24 A. (Witness nods head affirmatively.) 25 Q. -- you -- you -- it was an inspection report --</p>

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33 (129 to 132)

129	<p>1 <b>A. Yes.</b></p> <p>2 Q. -- is that right?</p> <p>3 <b>A. Yes.</b></p> <p>4 Q. Okay. Do you know when CIMA inspected Sentinel?</p> <p>5 MS. SMITH: Objection to form.</p> <p>6 THE WITNESS: I don't.</p> <p>7 BY MR. BURT:</p> <p>8 Q. And then he states in the next paragraph -- oh,</p> <p>9 strike that. I wanted to ask another question here.</p> <p>10 He says: To provide input for a future AML</p> <p>11 template for use with on-boarding of policyholders.</p> <p>12 Do you know what "AML" stands for?</p> <p>13 <b>A. Yes.</b></p> <p>14 Q. What does it stand for?</p> <p>15 <b>A. Anti-money laundering.</b></p> <p>16 Q. And do you know what he was referring to there as</p> <p>17 a "future AML template"?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 THE WITNESS: I do not know.</p> <p>20 BY MR. BURT:</p> <p>21 Q. Do you know if CIMA had found any issues</p> <p>22 with anti-money laun- -- any anti-money laundering issues</p> <p>23 with Sentinel?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 THE WITNESS: CIMA had not found any issues</p>	131	<p>1 Sentinel has yet to write true third-party business," were</p> <p>2 you aware of that fact in 2019?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 THE WITNESS: I believe so.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Okay. So what do you understand that to mean,</p> <p>7 that Sentinel had not written any true third-party</p> <p>8 business?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: My understanding was that</p> <p>11 Sentinel had issued some captive D&amp;O policies across</p> <p>12 varying entities within this structure. Sentinel didn't</p> <p>13 have approval, as I remember, in a timely fashion to be</p> <p>14 able to put forward any ATE to third parties. There was a</p> <p>15 timing delay in the need for litigation funding or ATE</p> <p>16 policies being sold, essentially, and regulatory approval</p> <p>17 on those policies.</p> <p>18 BY MR. BURT:</p> <p>19 Q. I want to break that answer down a little bit.</p> <p>20 <b>A. Okay.</b></p> <p>21 Q. So, first, let's start with the D&amp;O policies you</p> <p>22 just mentioned.</p> <p>23 <b>A. Uh-huh.</b></p> <p>24 Q. So you're aware of Sentinel issuing captive D&amp;O</p> <p>25 policies across varying entities within the structure; is</p>
130	<p>1 with AML, as far as I know.</p> <p>2 BY MR. BURT:</p> <p>3 Q. Okay. As far as you know, no issues with AML</p> <p>4 identified by CIMA?</p> <p>5 <b>A. In relation to Sentinel Reinsurance, Ltd., no.</b></p> <p>6 Q. Okay. How about with respect to Sentinel Re</p> <p>7 Holdings, Ltd.?</p> <p>8 <b>A. No. I'm not aware of any AML issues that were</b></p> <p>9 <b>identified.</b></p> <p>10 Q. And then Mr. -- Mr. Price says: As we develop</p> <p>11 our joint response to CIMA, there are areas that Tom and I</p> <p>12 will need your input to varying degrees. The following is</p> <p>13 who I believe needs to be involved with each item and our</p> <p>14 approach on where we should hold our ground versus</p> <p>15 accepting CIMA's position. I believe our approach should</p> <p>16 demonstrate that Sentinel is a soundly funded,</p> <p>17 well-managed captive. They have no doubt, in my opinion,</p> <p>18 treated Sentinel as if it were a commercial Class B,</p> <p>19 romanette (iii), licensee writing open-market business.</p> <p>20 And although we pointed out to them that Sentinel has yet</p> <p>21 to write true third-party business, they were not going to</p> <p>22 change their stance since they had advised of the</p> <p>23 inspection.</p> <p>24 So stopping there, drawing -- and drawing</p> <p>25 your attention to the line "We pointed out to them that</p>	132	<p>1 that what you said?</p> <p>2 <b>A. Yes.</b></p> <p>3 Q. What do you mean, first, by "captive D&amp;O policy"?</p> <p>4 <b>A. Meaning Sentinel Reinsurance, Ltd., would write</b></p> <p>5 <b>insurance for another -- another entity, either in the</b></p> <p>6 <b>structure chart you showed me previously --</b></p> <p>7 Q. Uh-huh.</p> <p>8 <b>A. -- pages 4 and 3.</b></p> <p>9 Q. So let's just be clear on the record about that.</p> <p>10 Looking at Exhibit 28, we've looked at</p> <p>11 page 4, the Sentinel structure as of 9th of April 2019.</p> <p>12 So -- and referring specifically to this</p> <p>13 structure on page 4 --</p> <p>14 <b>A. Okay.</b></p> <p>15 Q. -- is it correct that Sentinel would write</p> <p>16 captive D&amp;O policies to entities within this structure, as</p> <p>17 reflected in Exhibit 28, page 4?</p> <p>18 <b>A. Some of them. I can't recall specifically which.</b></p> <p>19 Q. And these entities were not considered</p> <p>20 third-party entities or third-party business, correct?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 THE WITNESS: It wasn't up to me to make</p> <p>23 that classification. I don't know.</p> <p>24 BY MR. BURT:</p> <p>25 Q. Well, I understand.</p>

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133	1 But that's what the class- -- that was what 2 Mr. Price was explaining here, right, that none of those 3 were actually true third-party business; is that correct? 4 MS. SMITH: Objection to form. 5 THE WITNESS: I don't know. 6 BY MR. BURT: 7 Q. You don't recall whether that was the case? 8 <b>A. I don't know.</b> 9 MS. SMITH: Objection to form. 10 THE WITNESS: That's not a piece I would 11 have handled. I don't know. 12 BY MR. BURT: 13 Q. What you know is that D&O policies were written 14 to entities within this structure, correct? 15 <b>A. Yes.</b> 16 Q. And then, looking at page 3 of Exhibit 28 -- and 17 for the record, this is the SAS structure as of 9th of 18 April, 2019 -- is it your testimony, Mrs. Irving, that 19 Sentinel would issue D&O policies to entities within this 20 structure as well? 21 <b>A. Some of them, yes, based on the advice of</b> 22 <b>Deloitte.</b> 23 Q. Do you recall which entities received those D&O 24 policies? 25 <b>A. I don't.</b>	135	1 affiliation whatsoever to these structures? 2 MS. SMITH: Objection to form. 3 THE WITNESS: I don't know. 4 BY MR. BURT: 5 Q. There's no fact you could point me to today to 6 dispute what Mr. Price wrote here, that Sentinel has yet 7 to write true third-party business, is there? 8 MS. SMITH: Objection to form. 9 THE WITNESS: I don't know what Mr. Price 10 means by "true third-party business," how that's defined 11 by CIMA. I -- I don't know. 12 BY MR. BURT: 13 Q. Well, fair. And I'm just asking you: Can -- is 14 there any fact, anything you can point me to, to suggest 15 that Sentinel was writing D&O policies out on the open 16 market for -- for independent entities, companies that 17 would come out of the blue and say: Hey, we need some 18 insurance? Anything like that? 19 MS. SMITH: Objection to form. 20 THE WITNESS: I don't know. 21 BY MR. BURT: 22 Q. So nothing you can point me to today? 23 MS. SMITH: Objection to form. 24 THE WITNESS: I don't know. Not that I can 25 think of. I don't know.
134	1 Q. Do you know whether there was any -- whether 2 there ever came a time when Sentinel ceased writing D&O 3 policies to captured entities? 4 MS. SMITH: Objection to form. 5 THE WITNESS: I don't know. 6 BY MR. BURT: 7 Q. Aside from the structures we see on pages 3 and 4 8 of Exhibit 28, were there any other Highland-related 9 entities or structures for which Sentinel was issuing D&O 10 policies? 11 <b>A. Not to my knowledge.</b> 12 Q. Were there any third parties, independent 13 entirely of these structures in Exhibit 28 or HCMLP, for 14 which Sentinel was writing D&O policies? 15 MS. SMITH: Objection to form. 16 THE WITNESS: Could you repeat that for me, 17 please. 18 BY MR. BURT: 19 Q. Sure. What I -- and I -- I want to be as precise 20 as I possibly can here. 21 So setting aside what we've seen in 22 Exhibit 28, these structures for SAS and Sentinel, and 23 setting aside HCMLP and any of its entities and related 24 entities, do you know whether Sentinel issued any other 25 D&O policies to independent third parties with no	136	1 BY MR. BURT: 2 Q. Now, earlier -- so setting the D&O policies 3 aside -- and I'm reading from the -- the draft transcript 4 here -- after you stated that Sentinel issued captive D&O 5 policies across varying entities within this structure, 6 you then stated: Sentinel didn't have approval, as I 7 remember, in a timely fashion to be able to put forward 8 any ATE to third parties. There was a timing delay in the 9 need for litigation funding for ATE policies being sold, 10 essentially, and regulatory approval on those policies. 11 Is that consistent with what you recall 12 testifying to? 13 <b>A. Yes.</b> 14 Q. Okay. So you -- we've talked about one ATE 15 policy that you do recall being issued -- 16 <b>A. Yes.</b> 17 Q. -- where funds came in to Sentinel. 18 Was that with a related entity? 19 <b>A. I don't know.</b> 20 MS. SMITH: Objection to form. 21 BY MR. BURT: 22 Q. Well, you testified here that it never was able 23 to put forward to, ATE, the third parties. 24 <b>A. From what I recall and what I meant by that</b> 25 <b>statement is CIMA was reviewing, policy by policy, when we</b>

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137	<p>1 would -- when the team would look at: This is a good 2 litigation funding play. It might have a good ATE 3 component as well. 4 That draft would go to Beecher -- would go 5 to CIMA for approval before we were able to -- before 6 Sentinel would be able to issue the policy, CIMA would 7 need to approve it on a policy-by-policy basis. 8 Q. Uh-huh. 9 A. At some point during my tenure, the policy 10 changed such that CIMA had -- CIMA had some approval -- 11 and I'm not in the detail of the approval -- CIMA had some 12 approval which allowed ATE to be written with a 13 notification to CIMA and subsequent approval. There was a 14 nuance in the timing to allow for more commercial business 15 timing. 16 Q. I think I understand. 17 So to restate -- and if I get it wrong, 18 please let me know -- so it changed from requiring 19 preapproval by CIMA of an ATE policy to a situation where 20 Sentinel could issue the ATE policy, notify CIMA, and get 21 approval after the fact? 22 A. That's my understanding. 23 Q. All right. And do you know when that change 24 occurred? 25 A. I don't.</p>	139	<p>1 generally? 2 MS. SMITH: Objection to form. 3 THE WITNESS: I just don't remember. 4 BY MR. BURT: 5 Q. But you do recall the one? 6 A. Yes. 7 Q. Okay. Going back to Exhibit 100 -- 8 A. Okay. 9 Q. -- the last paragraph from Mr. Price in this 10 e-mail states: It is my intention to hammer out as much 11 as possible this weekend as a first draft response. As 12 such, if there is anything further than what you and Katie 13 have already advised Tom, then please don't hesitate to 14 send me an e-mail. 15 Do you see that? 16 A. I do. 17 Q. What had you and Mr. DiOrio already advised Tom 18 about? 19 MS. SMITH: Objection to form. 20 THE WITNESS: I don't recall specifically. 21 BY MR. BURT: 22 Q. Do you recall any discussions with Mr. Adamczak 23 at Beecher Carlson regarding responding to CIMA? 24 A. Not specifically, but generally, it would have 25 been in relation to the ability to simplify the Sentinel</p>
138	<p>1 Q. Do you know whether it affected any ATE policies 2 that were being considered at Sentinel? 3 MS. SMITH: Objection to form. 4 THE WITNESS: I don't recall specifically. 5 BY MR. BURT: 6 Q. Regarding the one -- the policies that you were 7 doing diligence for, did that change in timing affect any 8 of those? 9 A. The timing change would have made it more 10 commercially viable to -- to pitch the litigation funding 11 and the ATE together, knowing that there wasn't a caveat 12 pending CIMA approval in relation to the ATE side. 13 Q. So were any ATE policies that you were doing 14 diligence on an issue because it was now more commercially 15 feasible? 16 MS. SMITH: Objection to form. 17 THE WITNESS: I don't recall specifically. 18 BY MR. BURT: 19 Q. So aside from the one ATE that you do recall 20 where funding came in, aside from that, do you recall any 21 other ATE policy being issued? 22 A. Many were contemplated, and I don't recall 23 specifically which, if any, were issued. 24 Q. Okay. How about generally? I understand 25 specifics might be murky in memory. But how about</p>	140	<p>1 structure, as requested by CIMA, without facing tax 2 issues. 3 Q. Anything else you might have spoken with 4 Mr. Adamczak about? 5 MS. SMITH: Objection to form. 6 THE WITNESS: Not that I recall. 7 BY MR. BURT: 8 Q. Do you have any knowledge of what Mr. DiOrio 9 might have spoken with Mr. Adamczak about? 10 MS. SMITH: Objection to form. 11 THE WITNESS: I would have to speculate. I 12 don't know what they spoke about. 13 BY MR. BURT: 14 Q. Any general understanding of what they spoke 15 of -- so, again, setting specifics aside. But any general 16 understanding of what they might have spoken about? 17 MS. SMITH: Objection to form. 18 THE WITNESS: My sense is they would have 19 spoken about CIMA's inspection report. 20 BY MR. BURT: 21 Q. How about you and Mr. DiOrio, what did you two 22 talk about in -- in regard to CIMA's inspection report? 23 MS. SMITH: Objection to form. 24 THE WITNESS: I'd have to speculate. 25 However, I know that we discussed overall structuring,</p>



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141	1 like I mentioned previously. 2 BY MR. BURT: 3 Q. Uh-huh. Okay. 4 Looking down in this e-mail chain, 5 there's -- there's bolded headings and then a bunch of 6 numbers underneath them. 7 Do you see that in this e-mail? 8 <b>A. I do.</b> 9 Q. And I understand, Mrs. Irving, that you are not 10 copied on this e-mail. But I'm going to ask you a few 11 questions anyway to see if -- if you know anything about 12 it. 13 There's a section that states, "Introduction 14 to Findings, No Response." Do you see that? That's the 15 first heading. 16 <b>A. I see that, yes.</b> 17 Q. And then there's a heading that says, 18 "Inconsistent Representations and Inaccurate 19 Documentation." 20 Do you see that heading? 21 <b>A. I see it.</b> 22 Q. And then it says, "Acknowledge, Make Corrections, 23 and "Move Forward"; is that right? 24 <b>A. I see that here on this paper, yes.</b> 25 Q. All right. And then, underneath that heading,	143	1 attention to specific things. 2 First, starting with this cover e-mail, 3 looking at the top, it is from a -- and I am going to mess 4 this name up -- Schliselo Dube, the Chief Analyst that 5 appears at CIMA, Cayman Islands Monetary Authority, to a 6 claytonprice@beechercarlson.com. 7 Do you see that? 8 <b>A. I do.</b> 9 Q. And in the cc line, there's a number of other 10 CIMA individuals cc'd, and also, Tom Adamczak at Beecher 11 Carlson is cc'd? 12 <b>A. Yes.</b> 13 Q. Now, looking at the top, you see "To: 14 claytonprice@beechercarlson.com." 15 Does that help refresh your recollection 16 about where he worked? 17 <b>A. Yes.</b> 18 Q. And can you say now that he did actually work at 19 Beecher Carlson? 20 MS. SMITH: Objection, form. 21 THE WITNESS: It appears so from this 22 documentation you handed me on 5/6/2019. 23 BY MR. BURT: 24 Q. No reason to disagree with that or to dispute 25 that; is that right?
142	1 there's the number 5.2.2.1, and then A through H, correct? 2 <b>A. Yes, I see that.</b> 3 Q. And looking at E and F, it lists names. E states 4 "Matt and Katie." F states "Tom, Matt, and Katie." 5 Do you see that? 6 <b>A. I do.</b> 7 Q. What recollection do you have of any response you 8 might have worked on regarding inconsistent 9 representations and inaccurate documentation? 10 MS. SMITH: Objection to form. 11 THE WITNESS: I would have to reference the 12 underlying CIMA Inspection Report. 13 BY MR. BURT: 14 Q. That's -- that's totally fair. So let's do that. 15 MR. BURT: Oh, that's right. 16 We'll mark this as Exhibit 101. 17 (Exhibit 101 was marked for identification.) 18 BY MR. BURT: 19 Q. Now, I'm going to draw your attention to 20 specific -- this is a big packet, and I'm going to draw 21 your attention to specific portions. Of course, if you 22 want to read a little before and after that to get 23 context, that is perfectly fine. 24 <b>A. Okay.</b> 25 Q. But for convenience sake, I'll draw your	144	1 MS. SMITH: Objection, form. 2 THE WITNESS: I don't think it's 3 controversial from this document. 4 BY MR. BURT: 5 Q. Okay. Flipping to the next page, there is a 6 letter from CIMA to the directors at Sentinel Reinsurance, 7 Ltd., Care Of Beecher Carlson, and it states here, at the 8 top of the -- the first paragraph of the letter -- well, 9 strike that. 10 The subject of the letter is "Sentinel 11 Reinsurance, Ltd., Final Inspection Report"; is that 12 right? 13 <b>A. Yes.</b> 14 Q. And it states: The Cayman Islands Monetary 15 Authority, the Authority, acknowledges receipt of 16 Clayton Price's e-mails dated 19 April, 2019, and 22nd 17 April, 2019, in response to the draft inspection reports 18 for Sentinel Reinsurance, Ltd., the Licensee. The 19 comments have been duly noted and, where applicable, the 20 Authority's reports amended accordingly. 21 Do you see that? 22 <b>A. I do.</b> 23 Q. All right. Now, keeping those dates in mind, 24 Clayton Price e-mails of 19 April, 2019, and 22nd April, 25 2019, do you recall e-mails going back to CIMA on those

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145	<p>1 dates or around that time in April of 2019?</p> <p>2 MS. SMITH: Objection, form.</p> <p>3 THE WITNESS: Not specifically.</p> <p>4 BY MR. BURT:</p> <p>5 Q. Looking, again, at Exhibit 100 that we were just</p> <p>6 looking at --</p> <p>7 <b>A. Uh-huh.</b></p> <p>8 Q. -- you see that the date there was April 12th,</p> <p>9 2019?</p> <p>10 <b>A. I see that.</b></p> <p>11 Q. Okay. And as we look -- if we look at</p> <p>12 Exhibit 28 -- I know we're looking at a lot of exhibits,</p> <p>13 but Exhibit 28, your e-mails to Mr. Beck and then to</p> <p>14 others were on April 10th of 2019, correct?</p> <p>15 <b>A. I see that.</b></p> <p>16 Q. So all around this same time -- time period,</p> <p>17 right?</p> <p>18 <b>A. It appears that way, yes.</b></p> <p>19 Q. And do you recall the work -- the e-mails that</p> <p>20 you were sending in Exhibit 28 and the work that was being</p> <p>21 referenced in Exhibit 100 related to responses to CIMA's</p> <p>22 draft inspection report?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 THE WITNESS: I -- I believe so. I believe</p> <p>25 all of this work is related to CIMA's inspection report.</p>	147	<p>1 Sentinel conducted an inspection -- or -- excuse me --</p> <p>2 strike that -- CIMA conducted an inspection of Sentinel?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 THE WITNESS: It appears that's true.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Okay. Flipping to page 3, there's a Table of</p> <p>7 Contents, and then page 3, there's an Executive Summary.</p> <p>8 Do you see that?</p> <p>9 <b>A. I do.</b></p> <p>10 Q. It states, in 1.1, that: An on-site inspection</p> <p>11 at the offices of Sentinel Reinsurance -- I should be</p> <p>12 fulsome and read the whole thing.</p> <p>13 So starting over: The Cayman Islands</p> <p>14 Monetary Authority, the Authority, conducted an on-site</p> <p>15 inspection -- the on-site inspection at the offices of</p> <p>16 Sentinel Reinsurance, Ltd., the Licensee, from 4 March,</p> <p>17 2019, to 11 March, 2019; is that right?</p> <p>18 <b>A. That's what the paper says.</b></p> <p>19 Q. Were you at the Sentinel offices during that</p> <p>20 inspection at any time?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 THE WITNESS: I don't believe so.</p> <p>23 BY MR. BURT:</p> <p>24 Q. So you never met -- you -- you mentioned two</p> <p>25 meetings with CIMA, one in August of 2019.</p>
146	<p>1 BY MR. BURT:</p> <p>2 Q. Okay. Now, you can flip forward. There's a</p> <p>3 blue, sort of -- or maybe this is just mine.</p> <p>4 <b>A. I don't have anything blue.</b></p> <p>5 Q. Yeah. That's just in my mine. It's called a</p> <p>6 slip sheet.</p> <p>7 But, again, if you flip forward two pages,</p> <p>8 you'll get to a page that has the actual CIMA logo on it.</p> <p>9 <b>A. Yeah.</b></p> <p>10 Q. Yeah. Do you see that?</p> <p>11 <b>A. Uh-huh.</b></p> <p>12 Q. And there it states: It's the final Prudential</p> <p>13 Inspection Report for Sentinel Reinsurance, Ltd.,</p> <p>14 conducted on the 4th of March, 2019, to the 11th of March,</p> <p>15 2019, issued on the 6th of May, 2019.</p> <p>16 Do you see that?</p> <p>17 <b>A. I do.</b></p> <p>18 Q. Does that help refresh your recollection of when</p> <p>19 CIMA conducted the inspection of Sentinel?</p> <p>20 MS. SMITH: Objection to form.</p> <p>21 THE WITNESS: I see it here on this paper.</p> <p>22 I don't recall, specifically, these dates, but I see it</p> <p>23 here on the paper.</p> <p>24 BY MR. BURT:</p> <p>25 Q. No reason to disagree that around that time</p>	148	<p>1 Do you recall ever meeting with them at</p> <p>2 Sentinel's offices?</p> <p>3 <b>A. No.</b></p> <p>4 Q. Were you ever interviewed by CIMA?</p> <p>5 <b>A. No.</b></p> <p>6 Q. 1.2, the summary states: The objective of the</p> <p>7 on-site inspection was to assess the policies and</p> <p>8 procedures, corporate governance structure, and internal</p> <p>9 control environment of the Licensee.</p> <p>10 You see that?</p> <p>11 <b>A. I see that.</b></p> <p>12 Q. And were you aware that that was the objective of</p> <p>13 the inspection?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 THE WITNESS: I don't know.</p> <p>16 BY MR. BURT:</p> <p>17 Q. Did you have any understanding at the time of why</p> <p>18 CIMA was inspecting Sentinel?</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. What was your understanding?</p> <p>21 <b>A. That it was a routine inspection. There was a --</b></p> <p>22 <b>a large amount of focus around AML in the Cayman Islands's</b></p> <p>23 <b>government and -- and regulatory bodies. There were</b></p> <p>24 <b>general inspections that started as a result of that.</b></p> <p>25 Q. Had Sentinel ever been inspected prior to this</p>

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149	1 time? 2 <b>A. Not that --</b> 3 MS. SMITH: Objection to form. 4 THE WITNESS: Not that I recall. 5 BY MR. BURT: 6 Q. Okay. But you recall CIMA being -- vigorously 7 investigating or inspecting regarding anti-money 8 laundering issues? 9 MS. SMITH: Objection to form. 10 THE WITNESS: Yes, but not specific to 11 Sentinel; it was a broader Cayman Islands's government 12 initiative. 13 BY MR. BURT: 14 Q. I see. So a general, sort of, focus on AML 15 issues -- 16 <b>A. Yes.</b> 17 Q. -- with CIMA? 18 <b>A. Additional compliance measures put in place by</b> 19 <b>the regulators in Cayman.</b> 20 Q. Do you know when that was? 21 <b>A. I don't, but it will be public.</b> 22 Q. And did Sentinel make adjustments in light of 23 those new requirements? 24 MS. SMITH: Objection to form. 25 THE WITNESS: Sentinel made adjustments	151	1 <b>A. I -- I don't know. It could have been either of</b> 2 <b>those. I don't know.</b> 3 Q. Did you ever receive e-mails directly from CIMA? 4 <b>A. No, not that I recall.</b> 5 Q. So someone at either Beecher Carlson or 6 affiliated with Sentinel must have provided it to you? 7 MS. SMITH: Objection to form. 8 THE WITNESS: I believe so. 9 BY MR. BURT: 10 Q. Do you know why you received a copy of it? 11 <b>A. Presumably because there was a question in</b> 12 <b>relation to the corporate structure we've talked about,</b> 13 <b>and as I recall, that was something CIMA wanted resolved.</b> 14 <b>So I was brought in to look at that.</b> 15 Q. Okay. So they brought you in specifically to 16 look at the corporate restructuring? 17 <b>A. From what I recall, yes.</b> 18 Q. All right. Do you recall that CIMA -- let's take 19 No. 1, corporate governance. Do you recall that CIMA had 20 found deficiencies in corporate governance? 21 <b>A. I don't recall it, but I see it here on the</b> 22 <b>report.</b> 23 Q. And -- and you recall receiving this and reading 24 it at the time? 25 MS. SMITH: Objection to form.
150	1 based on the findings in the CIMA Inspection Report. 2 BY MR. BURT: 3 Q. Okay. So let's look at 1.3: Results from the 4 on-site inspection revealed deficiencies in, one, 5 corporate governance; two, business plan; three, 6 outsourcing; four, risk management framework; five, 7 solvency and accounting policies; six, nature, 8 accessibility and retention of records; and, seven, 9 internal controls, policies, and procedures. 10 Do you see that? 11 <b>A. I do see that.</b> 12 Q. Were you aware that CIMA had found deficiencies 13 in each one of those areas at Sentinel? 14 MS. SMITH: Objection to form. 15 THE WITNESS: I was aware insofar as I 16 recall seeing this document before. 17 BY MR. BURT: 18 Q. Okay. And when did you see this document? 19 <b>A. I can't recall specifically but, presumably, in</b> 20 <b>tandem with CIMA issuing the document.</b> 21 Q. Who provided it to you? 22 <b>A. I don't -- I don't know. I don't know.</b> 23 Q. Was it Mr. DiOrio? 24 <b>A. I don't know.</b> 25 Q. Was it Mr. Adamczak?	152	1 THE WITNESS: This document's familiar to 2 me. Yes, I remember seeing this before. 3 BY MR. BURT: 4 Q. Did you speak about this document with 5 Mr. DiOrio? 6 <b>A. Presumably.</b> 7 Q. What do you recall talking with him about? 8 <b>A. Just general business matters. This report was</b> 9 <b>received; a response will need to be drafted and handled</b> 10 <b>appropriately, things like that.</b> 11 Q. Okay. How about with Mr. Ellington, did you ever 12 discuss this report with him? 13 <b>A. Not that I recall.</b> 14 Q. He was your direct report, though, wasn't he? 15 <b>A. Yes.</b> 16 Q. Wouldn't he have wanted to know about all these 17 issues that CIMA had found with Sentinel? 18 MS. SMITH: Objection to form. 19 THE WITNESS: Presumably, yes, he would want 20 to know about that. I just don't recall discussing it 21 with him specifically. 22 BY MR. BURT: 23 Q. How about generally, any -- any conversations 24 with him at all -- 25 MS. SMITH: Objection to form.

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153	<p>1 BY MR. BURT:</p> <p>2 Q. -- about this report, this --</p> <p>3 <b>A. He was aware of this report. My sense is Matt</b></p> <p>4 <b>DiOrio likely would have briefed him rather than me</b></p> <p>5 <b>briefing him.</b></p> <p>6 Q. And why is that?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: Because he was taking the lead</p> <p>9 around discussions with Beecher and rectifying any issue</p> <p>10 that CIMA found.</p> <p>11 BY MR. BURT:</p> <p>12 Q. Mr. DiOrio was the lead in respond- -- in working</p> <p>13 with Beecher and responding to CIMA?</p> <p>14 <b>A. From our internal team, I would say, yes, that's</b></p> <p>15 <b>a fair statement. Beecher really, as the administrator,</b></p> <p>16 <b>is the one who is supposed to tie up most of these loose</b></p> <p>17 <b>ends.</b></p> <p>18 Q. Okay. So it was the feeling among the team</p> <p>19 internally that Beecher should really be leading out on</p> <p>20 this; is that right?</p> <p>21 <b>A. Yes.</b></p> <p>22 MS. SMITH: Objection to form.</p> <p>23 THE WITNESS: Yes.</p> <p>24 BY MR. BURT:</p> <p>25 Q. And -- and so what was the feeling about the role</p>	155	<p>1 MS. SMITH: Objection to form.</p> <p>2 THE WITNESS: Because I had knowledge it</p> <p>3 would be helpful around making sure that everything was in</p> <p>4 compliance with CIMA's requirements.</p> <p>5 BY MR. BURT:</p> <p>6 Q. So it was more than just the directors that were</p> <p>7 working on this Sentinel response?</p> <p>8 <b>A. I believe you said who from Sentinel was working</b></p> <p>9 <b>on it, but yes. Yes, I worked on providing information to</b></p> <p>10 <b>Beecher to make sure Beecher could provide a robust</b></p> <p>11 <b>response.</b></p> <p>12 Q. Who at HCMLP was working on a response aside from</p> <p>13 you and Mr. DiOrio?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 THE WITNESS: I don't recall.</p> <p>16 BY MR. BURT:</p> <p>17 Q. How about at SAS Asset Recovery, Ltd.?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 THE WITNESS: SAS Asset Recovery, Ltd., did</p> <p>20 not have employees.</p> <p>21 BY MR. BURT:</p> <p>22 Q. Okay. When you were doing this work -- you've</p> <p>23 testified earlier that when you did Cayman's-related work</p> <p>24 it was for SAS. You used your SAS e-mail, and it was</p> <p>25 generally SAS-related, right?</p>
154	<p>1 that Sentinel had --</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 BY MR. BURT:</p> <p>4 Q. -- in responding to this?</p> <p>5 <b>A. Sentinel was assisting Beecher, to my knowledge.</b></p> <p>6 <b>Beecher is the administrator and a hired professional for</b></p> <p>7 <b>a reason, and a lot of the reason is to make sure that</b></p> <p>8 <b>everything run at the company's compliance with CIMA's</b></p> <p>9 <b>requirements.</b></p> <p>10 Q. Who was -- when you say Sentinel was doing</p> <p>11 certain things, who -- who are you referring to? Who at</p> <p>12 Sentinel was doing that?</p> <p>13 <b>A. The directors.</b></p> <p>14 Q. Okay. Do you recall who those were?</p> <p>15 MS. SMITH: Objection to form.</p> <p>16 THE WITNESS: I don't recall at this</p> <p>17 specific time who the directors were, no.</p> <p>18 BY MR. BURT:</p> <p>19 Q. All right. But it was the directors at Sentinel</p> <p>20 who were -- who were working for Sentinel to -- to address</p> <p>21 these issues; is that right?</p> <p>22 <b>A. Really, yes. Yeah.</b></p> <p>23 Q. Okay. But you weren't a director?</p> <p>24 <b>A. I was not.</b></p> <p>25 Q. So why were you working on it?</p>	156	<p>1 MS. SMITH: Objection to form.</p> <p>2 BY MR. BURT:</p> <p>3 Q. Was that your testimony? I think it was.</p> <p>4 <b>A. Yes, that Cayman-related matters would be handled</b></p> <p>5 <b>on SAS e-mail.</b></p> <p>6 Q. Okay. So were you -- when doing this work, were</p> <p>7 you using your SAS e-mail?</p> <p>8 <b>A. I don't know.</b></p> <p>9 Q. Well, why wouldn't you have been if you used that</p> <p>10 for Cayman's matters?</p> <p>11 MS. SMITH: Objection to form.</p> <p>12 THE WITNESS: I just can't say with</p> <p>13 certainty. I can guess, but I can't say with certainty.</p> <p>14 I don't know.</p> <p>15 BY MR. BURT:</p> <p>16 Q. What's your guess?</p> <p>17 <b>A. What's my guess? My guess is that, yes, this</b></p> <p>18 <b>would have been on my SAS e-mail.</b></p> <p>19 Q. Okay. Did you account for your time internally</p> <p>20 any differently when you were working on an SAS-related</p> <p>21 issue versus an HCMLP-related issue?</p> <p>22 <b>A. No.</b></p> <p>23 Q. Okay. So SAS had no employees?</p> <p>24 <b>A. Correct.</b></p> <p>25 Q. Everybody who worked on SAS-related issues was an</p>



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157	1 HCMLP employee; is that right? 2 MS. SMITH: Objection to form. 3 THE WITNESS: I don't -- no, I don't think 4 you can make that broad of a statement. There were HCMLP 5 employees who worked on SAS matters; there were also other 6 professionals who worked on SAS matters. 7 BY MR. BURT: 8 Q. And by "professionals," within HCMLP or -- 9 A. No. 10 Q. -- other -- other entities, affiliated entities? 11 A. No. 12 Q. So third parties? 13 A. Non- -- unrelated to HCMLP, yes. 14 Q. I see. 15 So you might have hired outside counsel or 16 something? 17 A. Yes. 18 Q. I see. Yeah, fair enough. 19 Okay. Aside from you and Mr. DiOrio at 20 HCMLP, anybody else working on responding to the CIMA 21 issues here identified in this exhibit? 22 A. Perhaps J.P. Sevilla. Scott Ellington was aware 23 of it; I don't know his involvement as to the granularity 24 of responding to CIMA. 25 Q. Okay. So he's more high level?	159	1 Q. -- you don't respond -- do you recall whether you 2 provided that assistance? And we can look at that 3 specific -- 5.2.2.1, if you'd like. 4 A. Yeah. Let me take a look at this. 5 Q. It's on page 8 of 35. 6 A. Okay. 7 Q. And you'll see, when you get there, it has the 8 same heading, "Inconsistent Representations and Inaccurate 9 Documentation." 10 Do you see that at the top? 11 A. I do. 12 Q. And then, just as in this e-mail, it has 5.2.2.1, 13 and then it has A, B, C, D through H, which goes on to 14 page 9, right? 15 A. (No response.) 16 Q. And you're listed under E. And E states -- this 17 is from the CIMA letter -- in the introductory remarks: 18 The actuarial report asserts that the Licensee is owned by 19 SAS Asset Recovery, Ltd., and its affiliated entities 20 (collectively SAS). SAS is not part of the Licensee's 21 organization structure. 22 Do you see that? 23 A. I see that. 24 Q. Do you recall working on a response to that 25 criticism by CIMA?
158	1 A. Scott Ellington? 2 Q. Yeah. 3 A. Yes. 4 Q. Yeah. He didn't know the details as much; is 5 that what you're saying? 6 MS. SMITH: Objection to form. 7 THE WITNESS: I said he wouldn't have been 8 involved in compiling all the information for the response 9 to Beecher. But, yes, he is aware of this report. 10 BY MR. BURT: 11 Q. Would he have reviewed the response? 12 MS. SMITH: Objection to form. 13 THE WITNESS: I don't know. Probably, but I 14 don't know. 15 BY MR. BURT: 16 Q. Did you provide him your drafts? 17 A. I didn't draft a response. Beecher, as far as I 18 recall, drafted a response to CIMA. 19 Q. Okay. So looking again at Exhibit 100, where 20 Mr. -- this is the e-mail from Mr. Price -- 21 A. Uh-huh. 22 Q. -- to Matt DiOrio, under "Inconsistent 23 Representations and Inaccurate Documentations" where he 24 listed you and Matt under two items -- 25 A. Uh-huh.	160	1 MS. SMITH: Objection to form. 2 THE WITNESS: I'm trying to get context for 3 what this is. 4 BY MR. BURT: 5 Q. Sure. 6 A. What introductory remarks are they referencing, 7 an actuarial report that I don't have in front of me? 8 Q. I can show you that, if you'd like. 9 A. Sure. 10 It reads to me that -- that someone said the 11 "Licensee," who is, presumably, Sentinel Reinsurance, 12 Ltd., is owned by SAS, and SAS is not a part of the 13 Licensee's organization structure. 14 Q. Okay. And my question was just: Do you recall 15 responding to that -- working on a response to that? 16 A. I don't recall responding to that. 17 Q. Okay. 18 A. It's -- this is CIMA's report, and CIMA is the 19 one saying "SAS is not a part of the Licensee's 20 organization structure." 21 MR. BURT: Are we on Exhibit 102? 22 THE STENOGRAPHIC REPORTER: (Nods head.) 23 MR. BURT: Mark this as 102. 24 (Exhibit 102 was marked for identification.) 25 BY MR. BURT:

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161	<p>1 Q. So I've handed you Exhibit 102, which is an</p> <p>2 e-mail and accompanying actuarial reports dated December</p> <p>3 31st, 2017, for Sentinel Reinsurance, Ltd.</p> <p>4 Do you see that?</p> <p>5 <b>A. Yes.</b></p> <p>6 Q. And then, on page 3 of that report, in the</p> <p>7 "Introduction," it states: Risk International Actuarial</p> <p>8 Consulting RA- -- (RIAC) has prepared this Actuarial</p> <p>9 Analysis for Sentinel Reinsurance, Ltd., (Sentinel or the</p> <p>10 Company), at the request of Mr. Tom Adamczak of Beecher</p> <p>11 Carlson, the captive manager of Sentinel. Sentinel is a</p> <p>12 captive insurance company domiciled in the Cayman Islands</p> <p>13 and owned by SAS Asset Recovery, Ltd.</p> <p>14 You see that?</p> <p>15 <b>A. I see that.</b></p> <p>16 Q. And that appears to be what CIMA was referencing</p> <p>17 in its letter, right?</p> <p>18 <b>A. Yes. CIMA is saying SAS is not part of a</b></p> <p>19 <b>Licensee's organization structure.</b></p> <p>20 Q. Right.</p> <p>21 And is that correct?</p> <p>22 <b>A. Yes.</b></p> <p>23 Q. Okay. And so you don't recall whether you</p> <p>24 prepared or worked on a response to CIMA regarding that,</p> <p>25 do you?</p>	163	<p>1 Q. Here it states: The Licensee's audited financial</p> <p>2 statements and actuarial report for the year-ended</p> <p>3 December 31st, 2017, state that the Licensee provides D&amp;O</p> <p>4 coverage to SAS Asset Recovery structure and its subsis-</p> <p>5 -- its subsidiaries -- excuse me -- SAS. As per the</p> <p>6 Licensee's business plan, the Licensee was approved to</p> <p>7 provide D&amp;O coverage to entities within the SAS Asset</p> <p>8 Recovery structure/Sentinel structure...</p> <p>9 And I'm going to stop there.</p> <p>10 Is that consistent with your recollection,</p> <p>11 that that was the approval for Sentinel to issue D&amp;O</p> <p>12 coverage within SAS and Sentinel structures?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 THE WITNESS: Yes, that's consistent, and</p> <p>15 consistent with what I've described previously.</p> <p>16 BY MR. BURT:</p> <p>17 Q. Okay. And then it states: According to the</p> <p>18 Authority's records, SAS and Sentinel structures are not</p> <p>19 in the same organization structure. The following</p> <p>20 entities, which are part of the Sentinel structure, have</p> <p>21 D&amp;O policies issued by the Licensee: Montage Holdings,</p> <p>22 Ltd.; Greystone IV, Ltd.; Kind Holdings, Ltd.; Brave</p> <p>23 Holdings, Ltd.; Loyal Holdings, L.P.; Anthem, Ltd.;</p> <p>24 Mainspring, Ltd.; HAL Holdings, L.P.; Nimitz, Ltd.;</p> <p>25 Patton, Ltd. There is a clear contradiction between the</p>
162	<p>1 <b>A. I don't recall.</b></p> <p>2 Q. So let's flip in Exhibit 101, the CIMA letter, to</p> <p>3 page 10, which is the "Management Comments and Response,"</p> <p>4 and there's, under E, on page 10 right in the middle, it</p> <p>5 states: The Licensee acknowledges the inaccuracy within</p> <p>6 the actuarial report regarding the structure and has</p> <p>7 requested the appropriate correction within the actuary's</p> <p>8 2018 report.</p> <p>9 <b>A. I see that.</b></p> <p>10 Q. Did you work on that at all?</p> <p>11 <b>A. No.</b></p> <p>12 Q. Did you have any conversations with the actuary?</p> <p>13 <b>A. No.</b></p> <p>14 Q. Did you ever provide the actuary information?</p> <p>15 <b>A. Not that I recall.</b></p> <p>16 Q. Did you ever review the actuarial reports?</p> <p>17 <b>A. Not that I recall.</b></p> <p>18 MS. SMITH: Objection to form.</p> <p>19 BY MR. BURT:</p> <p>20 Q. You can set the actuary report aside.</p> <p>21 <b>A. Okay.</b></p> <p>22 Q. Then looking back, let's look at number F -- or</p> <p>23 Item F on page 8 of the CIMA letter, under "Inconsistent</p> <p>24 Representations and Inaccurate Documentation."</p> <p>25 <b>A. Okay.</b></p>	164	<p>1 information on the business plan and that on the audited</p> <p>2 financial statements and actuarial report for the</p> <p>3 year-ended December 31st, 2017.</p> <p>4 Did I read that correctly?</p> <p>5 <b>A. Yes.</b></p> <p>6 Q. My first question is: Does that refresh your</p> <p>7 recollection about which Sentinel -- which entities within</p> <p>8 the Sentinel structure received D&amp;O policies?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: It does. Insofar as this</p> <p>11 exact timing, those were the policies CIMA, I guess, saw</p> <p>12 on the audited financial statements and actuarial report,</p> <p>13 as read from this document.</p> <p>14 BY MR. BURT:</p> <p>15 Q. Right.</p> <p>16 And did you work on a response to this in</p> <p>17 CIMA's finding that there was a contradiction between the</p> <p>18 information on the business plan and the audited financial</p> <p>19 statements and actuarial report?</p> <p>20 <b>A. I don't recall specifically, but it's likely that</b></p> <p>21 <b>I would have assisted in differentiating CIMA's</b></p> <p>22 <b>designation of SAS Asset Recovery structure and its</b></p> <p>23 <b>subsidiaries from these other entities named.</b></p> <p>24 Q. Okay. So you would have helped with that, making</p> <p>25 the points clear which entities are where --</p>

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165	1 <b>A. Yes.</b> 2 Q. -- and how -- how, if at all, they were related. 3 Is that fair? 4 <b>A. That's fair.</b> 5 Q. Okay. So let's look at page 10 again, to 6 "Management Comments." 7 <b>A. Uh-huh.</b> 8 Q. Under F, it states: The Licensee acknowledges 9 the Authority's comment related to the confusion 10 pertaining to the Sentinel structure versus the SAS 11 structure as both are different, although affiliated, 12 under common ownership. 13 I'm going to stop there. 14 Did you help draft that language? 15 MS. SMITH: Objection to form. 16 THE WITNESS: Not that I recall. 17 BY MR. BURT: 18 Q. Okay. Is that consistent with your 19 understanding, though, that Sentinel and SAS, although 20 different, are affiliated under common ownership? 21 MS. SMITH: Objection to form. 22 THE WITNESS: I can't say whether they are 23 affiliated. I do believe there is some common ownership. 24 BY MR. BURT: 25 Q. And do you know who that common -- or what that	167	1 <b>A. Yes, I see that.</b> 2 Q. Is that the same entity? 3 <b>A. To my knowledge, yes.</b> 4 Q. So when -- in the management response when it's 5 referring to common ownership, that may have been one 6 thing that it was referring to, the SAS Holdings/SPV, 7 Ltd.? 8 <b>A. Perhaps.</b> 9 MS. SMITH: Objection to form. 10 BY MR. BURT: 11 Q. Okay. Now, you'll see on -- on pages 3 and 4 of 12 Exhibit 28, there's USP's 1 and 2 are listed on both, and 13 I know before, I think regarding Sentinel, you stated you 14 didn't know who that was referring to. 15 Is that still your testimony? 16 <b>A. Yes. I understand, generally, who it would be</b> 17 <b>referring to, but I don't have specifics around ownership</b> 18 <b>at that level.</b> 19 Q. Okay. Generally, what is your understanding? 20 <b>A. Generally, USP1 and 2 would be domestic, meaning</b> 21 <b>U.S. entities, non-Cayman entities.</b> 22 Q. Uh-huh. 23 <b>A. Generally, it would be Mr. Ellington and</b> 24 <b>Mr. Dondero in theory, but I don't know where it's owned,</b> 25 <b>who a beneficiary is, any domestic -- I don't have any</b>
166	1 common ownership is? 2 <b>A. Yes, but I'd need to look at the org chart.</b> 3 Q. You can look at the org chart. 4 By that, you're referring to Exhibit 28 and 5 the org chart's listed there, right? 6 <b>A. Yes.</b> 7 MS. SMITH: Objection to form. 8 THE WITNESS: SAS Holdings/SPV, Ltd., 9 appears on each -- page 3 and 4 in this Exhibit 28. 10 BY MR. BURT: 11 Q. Okay. So let's -- yeah. So let's break that 12 down to make sure the record is clear. 13 Looking at page 3, the SAS structure, as of 14 9th of April 2019, right there at the top in the middle, 15 it says, "SAS Holdings/SPV, Ltd."; is that right? 16 <b>A. Yes.</b> 17 Q. Was that a Cayman's entities? 18 MS. SMITH: Objection to form. 19 THE WITNESS: Yes. It's a Cayman Islands's 20 entity, to my knowledge. 21 BY MR. BURT: 22 Q. And then if we look at page 4 under the Sentinel 23 structure, as of 9th April, 2019, it states: SAS 24 Holdings/SPV, Ltd., and in paren, it says "Cayman"; is 25 that right?	168	1 <b>domestic knowledge as to how it's held, how the economic</b> 2 <b>benefit flows or anything like that.</b> 3 Q. Understood. 4 But -- but, generally, the ownership somehow 5 goes up to Mr. Ellington on the one hand, and Mr. Dondero 6 on the other? 7 MS. SMITH: Objection to form. 8 THE WITNESS: At one time, yes. 9 BY MR. BURT: 10 Q. Okay. 11 <b>A. At one time, yes.</b> 12 Q. And -- and we're talking about the Sentinel 13 structure, Exhibit 4 -- 14 <b>A. Yes.</b> 15 Q. -- or -- excuse me -- Exhibit 28, page 4? 16 Now, with regards to the SAS structure, we 17 have USP1 and USP2. Is that the same with regard to SAS 18 that USP1 and USP2 would refer in some way to ownership 19 rolling up somehow to Elling- -- to Mr. Ellington and 20 Mr. Dondero? 21 MS. SMITH: Objection to form. 22 THE WITNESS: I believe so. 23 BY MR. BURT: 24 Q. Okay. Now, also in the SAS structure, it lists 25 4 USPs. Do you know who that is referring to?

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169	<p>1 <b>A. I don't.</b></p> <p>2 Q. Okay. We'll come back to that.</p> <p>3 And so in addition to the common ownership</p> <p>4 referred to in the management discussion in the CIMA</p> <p>5 response, isn't it fair to say that part of that common</p> <p>6 ownership was also that Mr. Dondero and Mr. Ellington had</p> <p>7 ownership of both SAS and Sentinel?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 THE WITNESS: I don't know that that's fair</p> <p>10 to say, because I don't know how the domestic entities are</p> <p>11 held.</p> <p>12 BY MR. BURT:</p> <p>13 Q. Is it your testimony that USP1 and USP2 refers to</p> <p>14 an entity, or could it refer to an individual?</p> <p>15 MS. SMITH: Objection to form.</p> <p>16 THE WITNESS: It could be either.</p> <p>17 MR. BURT: One moment, please.</p> <p>18 MS. SMITH: Is now a good time to take a</p> <p>19 break?</p> <p>20 MR. BURT: Sure.</p> <p>21 THE VIDEOGRAPHER: Off the record at 1:43</p> <p>22 p.m.</p> <p>23 (Brief recess taken.)</p> <p>24 THE VIDEOGRAPHER: Back on record at</p> <p>25 2:00 p.m.</p>
170	<p>1 MR. BURT: So making a record, Counsel and I</p> <p>2 spoke offline, and Counsel has represented to me, and I</p> <p>3 accept her representation, that there were no substantive</p> <p>4 notes passed between them. And so, again, I accept your</p> <p>5 representation of that and make the record clear. We</p> <p>6 thought we had seen it, but we believe you when you say</p> <p>7 that it did not happen, so...</p> <p>8 MS. HARTMANN: And just for the record,</p> <p>9 Ms. Smith did pass me a note. I did not pass any note to</p> <p>10 her with the -- writing on it.</p> <p>11 MR. BURT: Okay.</p> <p>12 MS. SMITH: And the note had nothing to do</p> <p>13 with the substance of the deposition. It was one personal</p> <p>14 comment.</p> <p>15 MR. BURT: So we accept your representation</p> <p>16 as officers of the Court and we will move on. We</p> <p>17 appreciate that clarification.</p> <p>18 MS. HARTMANN: Thank you.</p> <p>19 MS. SMITH: Thank you.</p> <p>20 MR. BURT: No problem.</p> <p>21 BY MR. BURT:</p> <p>22 Q. Okay. So Mrs. Irving, we were looking at a bunch</p> <p>23 of documents, but we'll start again looking at Exhibit 28</p> <p>24 that has the structures. And we were talking about USP1</p> <p>25 and USP2. I'd actually like to show you another document</p>
171	<p>1 related to that that we will mark as 103, I believe.</p> <p>2 (Exhibit 103 was marked for identification.)</p> <p>3 MR. BURT: Is that right, 103?</p> <p>4 THE STENOGRAPHIC REPORTER: Yes.</p> <p>5 (Off-record discussion.)</p> <p>6 THE WITNESS: Thanks.</p> <p>7 (Witness reviews document.) Okay.</p> <p>8 BY MR. BURT:</p> <p>9 Q. Okay. So Exhibit 103, as you see, has</p> <p>10 three pages, two pages of e-mail and then a chart, an</p> <p>11 organizational chart, and I'd like to start with the first</p> <p>12 e-mail in the chain that begins on page 1 from a Leonna</p> <p>13 Saintvil, to Clayton Price at Beecher, cc'ing, a number of</p> <p>14 other CIMA employees and Tom Adamczak. It says: Good</p> <p>15 day, Clayton. Thank you for your e-mails --</p> <p>16 And for the record, it's dated June 20th,</p> <p>17 2019.</p> <p>18 -- I have a few questions. Can you please</p> <p>19 explain the purpose of the following businesses. And he</p> <p>20 lists a number of businesses. And then number 2, he says:</p> <p>21 Is USP1 and USP2 individuals? If so, please amend the</p> <p>22 organizational chart.</p> <p>23 So keeping number 2 in mind, Mrs. Irving,</p> <p>24 and then going to the first page again, Mr. Price responds</p> <p>25 to Leonna Saintvil, and says: Leonna, to answer questions</p>
172	<p>1 from earlier today... and then number two, he says: USP1</p> <p>2 and USP2 are individuals. U.S. Person 1 and U.S. person</p> <p>3 2, who are known to CIMA. As referenced in my e-mail with</p> <p>4 the org chart, USP1 is Scott Ellington, while USP2 is</p> <p>5 James Dondero. The org chart has been revised to include</p> <p>6 their names.</p> <p>7 Do you see that?</p> <p>8 <b>A. I see it.</b></p> <p>9 Q. Do you recall this org chart being revised to</p> <p>10 include their names?</p> <p>11 MS. SMITH: Objection to form.</p> <p>12 THE WITNESS: No.</p> <p>13 BY MR. BURT:</p> <p>14 Q. Okay. Does this help refresh your recollection</p> <p>15 as to the identity of USPs 1 and 2 in the Sentinel</p> <p>16 structure?</p> <p>17 MS. SMITH: Objection to form.</p> <p>18 THE WITNESS: I see at this point in time</p> <p>19 this was a representation made by Beecher.</p> <p>20 BY MR. BURT:</p> <p>21 Q. And do you have any reason to disagree with that</p> <p>22 representation?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 THE WITNESS: No.</p> <p>25 BY MR. BURT:</p>



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173	<p>1 Q. Well, it wasn't just a representation by Beecher.</p> <p>2 It went to the regular -- the regulator in the Caymans,</p> <p>3 right?</p> <p>4 MS. SMITH: Objection to form.</p> <p>5 THE WITNESS: As far as I can tell on this</p> <p>6 paper, yes, that was what was communicated to the</p> <p>7 regulator.</p> <p>8 BY MR. BURT:</p> <p>9 Q. Okay. Did you ever communicate that ownership of</p> <p>10 Mr. Ellington and Dondero to Beecher?</p> <p>11 A. I don't know.</p> <p>12 Q. Okay. Let's look at the org chart that was</p> <p>13 provided. This was the last page of this exhibit.</p> <p>14 And it states: Sentinel structure following</p> <p>15 entity eliminations as of 18th June, 2019. Note removal</p> <p>16 of Sentinel Re Holdings, Ltd., is pending CIMA approval.</p> <p>17 And up at the top now, in the more</p> <p>18 streamlined structure on the left, it lists Scott</p> <p>19 Ellington, and on the right, it lists James Dondero; is</p> <p>20 that correct?</p> <p>21 A. I see that here on this paper, yes.</p> <p>22 Q. And in the middle, still, we have SAS</p> <p>23 Holdings/SPV, Ltd.; is that right?</p> <p>24 A. I see it here, yes.</p> <p>25 Q. Now, tracing up from the bottom, the Sentinel</p>	175	<p>1 BY MR. BURT:</p> <p>2 Q. And moving up, looking at Mainspring, above it is</p> <p>3 Loyal Holdings, L.P., and directly above Loyal Holdings is</p> <p>4 James Dondero with 99.5 percent of the value and 9 percent</p> <p>5 of the vote.</p> <p>6 Do you see that?</p> <p>7 A. I see it.</p> <p>8 Q. So of the 70 percent of Sentinel Reinsurance and</p> <p>9 its -- of the ownership that went to Mainspring,</p> <p>10 99.5 percent of that ownership went to James Dondero,</p> <p>11 correct?</p> <p>12 A. I see --</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 THE WITNESS: I see that here.</p> <p>15 BY MR. BURT:</p> <p>16 Q. Is that consistent with your memory?</p> <p>17 MS. SMITH: Objection to form.</p> <p>18 THE WITNESS: I don't recall.</p> <p>19 BY MR. BURT:</p> <p>20 Q. Well, you've testified that this is what you were</p> <p>21 tasked with, with the structure of Sentinel and all of the</p> <p>22 entities and taking entities out, correct; part of the</p> <p>23 liquidation?</p> <p>24 A. Yes.</p> <p>25 Q. In fact, you were working on that in 2018, even</p>
174	<p>1 Reinsurance, Ltd., the ownership interests, do you see at</p> <p>2 the bottom when it splits into a right and left,</p> <p>3 70 percent of the value goes to the right to Mainspring,</p> <p>4 Ltd.; 30 percent of the value goes to the left to Montage</p> <p>5 Holdings, Ltd.</p> <p>6 Is that right?</p> <p>7 A. I see that here, yes.</p> <p>8 Q. 91 percent of the vote goes to Mainspring; 9</p> <p>9 percent of the vote goes to Montage Holdings. Is that</p> <p>10 right?</p> <p>11 A. Sorry. Could you repeat that, please?</p> <p>12 Q. Sure.</p> <p>13 I'm -- I'm talking specifically about the</p> <p>14 voting interests.</p> <p>15 A. Okay.</p> <p>16 Q. And 91 percent of the vote -- voting interest in</p> <p>17 Sentinel Reinsurance, Ltd., goes to Mainspring, Ltd., and</p> <p>18 9 percent of the vote goes to Montage Holdings, Ltd.?</p> <p>19 A. I see that.</p> <p>20 Q. All right. Now, that 70/30 split between</p> <p>21 Mainspring and Montage, was that consistent with your</p> <p>22 understanding of the reorganization of the structures that</p> <p>23 you've testified you worked on at this time?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 THE WITNESS: Yes.</p>	176	<p>1 before the CIMA meetings, right?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 THE WITNESS: I was working on streamlining</p> <p>4 the structure, yes.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Yeah. So this was something that you worked on</p> <p>7 for at least a year, the streamlining of the structure of</p> <p>8 Sentinel; isn't that right?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: I wouldn't say I worked on it</p> <p>11 for a year, but yes, it was -- it was known that we wanted</p> <p>12 to simplify the structure.</p> <p>13 BY MR. BURT:</p> <p>14 Q. Okay. I mean, I'm not saying you worked on it</p> <p>15 every day. But it was a project, an ongoing project that</p> <p>16 lasted for at least a year until here, 18th of June 2019,</p> <p>17 you can report to CIMA that Sentinel now has a new</p> <p>18 organizational structure, correct?</p> <p>19 MS. SMITH: Objection to form. She's not</p> <p>20 reporting at all on this.</p> <p>21 BY MR. BURT:</p> <p>22 Q. Isn't that right?</p> <p>23 A. Sorry. Could you repeat your question, please?</p> <p>24 Q. What I was saying was, this organizational</p> <p>25 structure is sent to CIMA, as we see in this exhibit, as</p>

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177	<p>1 -- and it shows the Sentinel structure as 18th of June, 2 2019, right? 3 <b>A. I see that here --</b> 4 Q. And this -- 5 <b>A. -- yes.</b> 6 Q. Excuse me. 7 And this is a project that you had worked 8 on, not every day, but an ongoing project for at least a 9 year; is that right? 10 <b>A. That's -- that's fair. I worked on it in pieces</b> 11 <b>at various points in time, yes.</b> 12 Q. And isn't it also fair, then, to say that you 13 knew that of the 70 percent of value in Sentinel 14 Reinsurance that went to Mainspring, Ltd., that that 15 ultimately was owned by Mr. Dondero? 16 MS. SMITH: Objection to form. 17 THE WITNESS: I don't know. 18 BY MR. BURT: 19 Q. You have no idea whether Mr. Dondero held that? 20 Is that your testimony under oath today? 21 <b>A. No.</b> 22 <b>Could you read back your prior question that</b> 23 <b>I responded "I don't know" to.</b> 24 MR. BURT: Madam Court Reporter, would you 25 mind reading it beginning at 14:09:13, 160-1.</p>	179	<p>1 MS. SMITH: Objection to form. 2 THE WITNESS: No reason to dispute that. 3 BY MR. BURT: 4 Q. And so ultimately, SAS Holdings has -- if we're 5 looking at the left side, 1 percent of the value goes to 6 Greystone IV in the Cayman. 7 Do you see that? 8 <b>A. I see it.</b> 9 Q. 91 percent of the vote goes to Greystone IV in 10 the Cayman, right? 11 <b>A. I see that here.</b> 12 Q. So of the 30 percent that went to Montage and 13 then to HAL, 99 percent of that 30 percent went to Scott 14 Ellington, and 1 percent of that 30 percent goes to 15 Greystone, right? 16 <b>A. That's what this chart says.</b> 17 Q. And again, you don't have any reason to disagree 18 with this chart, do you? 19 MS. SMITH: Objection to form. 20 THE WITNESS: I -- I don't. 21 BY MR. BURT: 22 Q. And then on the right-hand side, 70 percent of 23 the ownership Sentinel goes to Mainspring, up to Loyal, 24 which owns Mainspring; 99.5 of that ownership goes to 25 Mr. Dondero; 5 percent of that goes to Kind Holdings,</p>
178	<p>1 (Requested material was read back.) 2 THE WITNESS: No. I wouldn't say that 3 that's fair, no. 4 BY MR. BURT: 5 Q. Okay. Why not? 6 <b>A. Because I don't have knowledge of -- of what</b> 7 <b>happens, kind of, anywhere on the domestic side. And as</b> 8 <b>noted, these were two U.S. person individuals. I -- I</b> 9 <b>don't know.</b> 10 Q. Well, I want to make sure I'm understanding that. 11 So are you saying that on the domestic side Mr. Dondero 12 might not have had 99 percent ownership in Loyal Holdings, 13 which owned Mainspring, Ltd.? 14 MS. SMITH: Objection to form. 15 THE WITNESS: My sense is, this is 16 represented to CIMA. I fully believe that the accurate 17 representation was presented to CIMA at the time. 18 BY MR. BURT: 19 Q. Okay. So then on left, of the 30 percent value 20 that goes to Montage Holdings, that's owned by HAL 21 Holdings, and 99 percent of that is owned by Scott 22 Ellington, correct? 23 <b>A. I see that here on this chart, yes.</b> 24 Q. Any reason to dispute that this was the corporate 25 structure of Sentinel on -- as of June 18th, 2019?</p>	180	<p>1 Ltd., in the Caymans; is that right? 2 <b>A. That's what this paper says.</b> 3 Q. 91 percent of the vote goes to Kind Holdings, but 4 only 9 percent of the vote goes to Mr. Dondero; is that 5 right? 6 <b>A. That's what the paper says.</b> 7 Q. Why did -- why was it structured in such a way 8 that ownership and vote was different? 9 <b>A. It was based --</b> 10 MS. SMITH: Objection to form. 11 THE WITNESS: Sorry, Frances. 12 It was based on a structure set up by 13 Deloitte. 14 BY MR. BURT: 15 Q. When did Deloitte set that up? 16 <b>A. I believe 2014.</b> 17 Q. So Deloitte had set up a structure that split 18 ownership interests off from the same -- from -- from the 19 voting rights in Sentinel? 20 <b>A. Yes.</b> 21 Q. Do you know why Deloitte did that? 22 <b>A. I don't know.</b> 23 Q. Well, you're a CPA. Did you work with Deloitte 24 on that? 25 <b>A. I did.</b></p>

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181	1 MS. SMITH: Objection to form. 2 BY MR. BURT: 3 Q. Okay. So what did they tell you about that? 4 A. That it was a tax-structuring suggestion. 5 Q. To suggest what? 6 A. It was their -- it was Deloitte's advice to set 7 the structure up in the way that you are seeing it. 8 Q. So in some way, splitting off the -- the 9 percentage of vote that an entity had versus its ownership 10 interest was tax advice given to you -- or given to 11 Sentinel by Deloitte? 12 MS. SMITH: Objection to form. 13 THE WITNESS: Deloitte advised as to that, 14 yes. 15 BY MR. BURT: 16 Q. Who at Deloitte gave that advice? 17 A. I don't remember. 18 Q. Do you recall any of the names at Deloitte that 19 you worked with at the time? 20 A. I don't. 21 Q. So in total, looking at the amount of ownership 22 in Sentinel that SAS Holdings has, it has, on the Montage 23 holding side, 1 percent of 30 percent, and on the 24 Mainspring side, .5 percent of 70 percent, correct? 25 A. I see that here, yes.	183	1 Mr. Dondero and Mr. Ellington, in fact, did not own the 2 ownership interests that are presented here on this -- on 3 this page? 4 MS. SMITH: Objection to form. 5 THE WITNESS: No. As I -- as I stated 6 before, full disclosure would have been made to the Cayman 7 Islands Monetary Authority. 8 BY MR. BURT: 9 Q. Okay. Now, up above SAS Holdings SPV, Ltd., is 10 something called ITA, and then it says: - Red Cross. 11 Do you know what that is referring to? 12 A. Yes. 13 Q. What is that? 14 A. ITA is the trustee. 15 Q. The trustee of what? 16 A. Of the SAS Holdings SPV, Ltd., shares. 17 Q. So that corporation, SAS Holdings SPV, Ltd., had 18 shares and they were held in trust by ITA? 19 A. That's my understanding. 20 Q. Were they exclusively held by ITA, or were they 21 held by anyone else? 22 MS. SMITH: Objection, form. 23 THE WITNESS: My understanding was they were 24 held by ITA. 25 BY MR. BURT:
182	1 Q. Okay. So as far as ownership goes, isn't it fair 2 to say that SAS Holdings SP, Ltd., had a -- a very small 3 percentage of the ownership of Sentinel Reinsurance, Ltd.? 4 MS. SMITH: Objection to form. 5 THE WITNESS: In terms of value as presented 6 on this chart, it's smaller, yes. 7 BY MR. BURT: 8 Q. Does that -- 9 A. -- than the vote component. 10 Q. Ex- -- excuse me. Yeah. 11 Well, I'm not comparing it with the vote 12 component. What I'm comparing it with is the ownership 13 interest that go to Mr. Ellington and Mr. Dondero. And 14 isn't it fair to say that the percentage of ownership of 15 SAS Holdings SPV, Ltd., is much, much smaller than the 16 ownership interest of Mr. Ellington and Mr. Dondero in 17 Sentinel Reinsurance, Ltd.? 18 MS. SMITH: Objection to form. 19 THE WITNESS: The value is smaller as 20 presented here, yes. 21 BY MR. BURT: 22 Q. Okay. Does that conflict in any way with your 23 recollection of how this was structured? 24 A. I don't recall. 25 Q. Can you point me to any facts to suggest that	184	1 Q. Okay. And do you know who owned ITA? 2 A. No. 3 Q. Do you know whether Mr. Dondero and Ellington 4 were in any way affiliated with ITA? 5 MS. SMITH: Objection, form. 6 THE WITNESS: Not to my knowledge. 7 MR. BURT: One moment. 8 All righty. Apologies for the slight delay. 9 We'll mark this as Exhibit 104. 10 (Exhibit 104 was marked for identification.) 11 THE WITNESS: Excuse me. Thank you. 12 BY MR. BURT: 13 Q. And just so you know, I'm actually not going to 14 ask -- other than to identify the e-mail, I'm not going to 15 ask you any questions about the substance of the e-mail, 16 but there's an attachment that I want to show you. 17 A. Okay. 18 Q. Of course, for context, you can see here there -- 19 the e-mail is from Matt DiOrio -- the top e-mail, I should 20 say, is from Matt DiOrio to Tom Adamczak, cc'ing you, 21 Katie Irving. I keep getting the to and froms mistaken; I 22 apologize. 23 It's from Jonathan Arbeit at Beecher Carlson 24 to Matt DiOrio and Alli Devins, cc'ing Tom Adamczak and 25 yourself, kirving@sasmgt.com, and it's dated October 3rd,

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185	1 2018. 2       So this is prior to the reorganization that 3 we were just looking at; is that right? 4 <b>A. It -- yes, it appears to be in October 2018.</b> 5     Q. Okay. And here Jonathan Arbeit at Beecher refers 6 to -- he says: "Hi, Matt, Katie, the capital rebalancing 7 schedule is attached. Please let me know if you have any 8 questions." And there's an attachment, we can see, at 9 capitalbalancing.xls. 10       You see that? 11       First, who is Jonathan Arbeit at Beecher? 12 <b>A. It looks like, from this e-mail signature, he's a</b> 13 <b>senior accountant.</b> 14     Q. Do you recall having e-mails with him or 15 conversations? 16 <b>A. Not specifically, no.</b> 17     Q. All right. All right. And then turning to the 18 attachment of this, which is five pages in, it's an Excel 19 printout with some green and yellow on it, and at the top, 20 it says: Sentinel Reinsurance, Ltd., Rebalancing? 21 <b>A. Does it say "1" at the bottom of the page?</b> 22     Q. It says: Sentinel Reinsurance, Ltd., 23 Rebalancing. It's the right one. And then it has a 24 "Summary" box. 25 <b>A. Okay. I see that.</b>
186	1     Q. All right. And in the summary, it says: 2 Ellington contributes 2.624.509.33 in cash to Sentinel 3 Reinsurance, Ltd. Sentinel Reinsurance, Ltd., loans -- 4 and then it says: XXXX to Dondero Ellington -- excuse 5 me -- to Dondero Entity. Effectively, 30 percent of loan 6 comes from Ellington. 7       Do you see that? 8 <b>A. I see it.</b> 9     Q. Do you recall Mr. Ellington contributing 10 \$2.6 million to Sentinel Reinsurance? 11       MS. SMITH: Objection to form. 12       THE WITNESS: I don't recall. 13 BY MR. BURT: 14     Q. Is this news to you as something you've never 15 heard of before today sitting here looking at this 16 document? 17 <b>A. I just don't recall.</b> 18     Q. All right. Did you know that Mr. Ellington was 19 funding Sentinel in that way? 20       MS. SMITH: Objection to form. 21       THE WITNESS: I don't recall. 22 BY MR. BURT: 23     Q. And as you look at -- looking at this 24 spreadsheet, underneath the "Summary" box on the right 25 side, it says: Dondero, 70 percent Patton; Ellington,
187	1 30 percent Nimitz. 2       Do you see that? 3 <b>A. I see that.</b> 4     Q. Okay. So keeping your finger there, if we go 5 back to Exhibit 28, which is the structure before the 6 changes, on the last page, the Sentinel structure, do you 7 see that the Patent -- excuse me -- the Patton, Ltd., 8 entity comes off the right of Sentinel Re Holdings, Ltd., 9 and has 70 percent value. Is that right? 10 <b>A. I see -- I see that here.</b> 11     Q. And, ultimately, it goes up -- the ownership up 12 to USP2 and to SAS Holdings/SPV, Ltd., right? 13 <b>A. I see that here on the chart.</b> 14     Q. All right. And then, here, in Exhibit 104, it 15 lists: Dondero, 70 percent Patton; is that right? 16 <b>A. I see that.</b> 17     Q. So isn't it fair to conclude from that that 18 Mr. Dondero is USP2, as reflected in Exhibit 28? 19       MS. SMITH: Objection to form. 20       THE WITNESS: You can conclude whatever 21 you'd like from these documents. 22 BY MR. BURT: 23     Q. Well, I'm asking you: Isn't it true that 24 Mr. Dondero was -- in fact, owned 70 percent of Sentinel, 25 as reflected in Exhibit 28, page 4, and as reflected in
188	1 Exhibit 104, identifying him as a 70 percent owner of the 2 Patton line of ownership? 3       MS. SMITH: Objection, form. 4       THE WITNESS: I don't think that's exactly 5 fair. 6 BY MR. BURT: 7     Q. Why not? 8 <b>A. Because -- because the 70 percent value, as you</b> 9 <b>referenced before, that flows to Patton on this chart that</b> 10 <b>you're showing me is further bifurcated above in the</b> 11 <b>ownership chain.</b> 12     Q. Uh-huh. 13 <b>A. So whereas this attachment on 104 exhibit says</b> 14 <b>"Dondero, 70 percent Patton," it's not technically</b> 15 <b>correct, as far as I would read it.</b> 16     Q. Sure. Well, let's look at how that ownership is 17 split up from Patton. 18       15.89 percent goes to Anthem, Ltd., right? 19 <b>A. I see that here.</b> 20     Q. 84.11 percent goes to Mainspring, Ltd., correct? 21 <b>A. I see that here.</b> 22     Q. But then those combine back together into Loyal 23 Holdings, Ltd., right? 24 <b>A. Uh-huh.</b> 25     Q. Now, as part of the restructuring that happened



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189	<p>1 where you eliminated entities, is it true that you</p> <p>2 eliminated that middle portion?</p> <p>3 <b>A. What middle portion?</b></p> <p>4 Q. Of Anthem and Mainspring.</p> <p>5 MS. SMITH: Objection to form.</p> <p>6 THE WITNESS: From what I recall, there was</p> <p>7 a -- a merger or something wherein Anthem and Mainspring</p> <p>8 combined.</p> <p>9 BY MR. BURT:</p> <p>10 Q. Okay. So they combined into one entity, but</p> <p>11 Patton was eliminated, right?</p> <p>12 <b>A. It appears so.</b></p> <p>13 Q. And then Loyal Holdings is still there, both pre</p> <p>14 and post restructuring, right?</p> <p>15 <b>A. I see that.</b></p> <p>16 Q. All right. So, so far, 70 percent of the value,</p> <p>17 if we're looking at pre-April 2019, is at Loyal Holdings,</p> <p>18 and of that 70 percent, 99 percent goes to USP2, right?</p> <p>19 <b>A. I see that.</b></p> <p>20 MS. SMITH: Objection to form.</p> <p>21 BY MR. BURT:</p> <p>22 Q. And -- and then there's a Kind Holdings, Ltd.,</p> <p>23 and a Brave Holdings, Ltd., both in the Caymans, which</p> <p>24 each -- which split the remaining .5 percent of value,</p> <p>25 right?</p>	191	<p>1 detail is important to you?</p> <p>2 <b>A. Yes.</b></p> <p>3 MS. SMITH: Objection to form.</p> <p>4 BY MR. BURT:</p> <p>5 Q. Okay. And then looking at the left-hand side,</p> <p>6 30 percent of value of Nimitz, Ltd. -- of Sentinel Re</p> <p>7 Holdings goes to Nimitz, Ltd., right?</p> <p>8 <b>A. Here on Exhibit 28?</b></p> <p>9 Q. Yes.</p> <p>10 <b>A. Yes.</b></p> <p>11 Q. And Nimitz, Ltd., is eliminated as part of the</p> <p>12 restructuring, right?</p> <p>13 <b>A. I see that here, uh-huh.</b></p> <p>14 Q. And then you -- looking at 28, rather than Mont-</p> <p>15 -- excuse me -- then Nimitz goes to Montage Holdings,</p> <p>16 which still exists after the restructuring, correct?</p> <p>17 <b>A. I see that here.</b></p> <p>18 Q. And that flows up on HAL Holdings, which exists</p> <p>19 after the restructuring, correct?</p> <p>20 <b>A. I see that.</b></p> <p>21 Q. And from there, 99 percent of the value flows to</p> <p>22 Elderflower, Ltd., and then directly to USP1, correct?</p> <p>23 <b>A. I see that on Exhibit 28.</b></p> <p>24 Q. All right. And the only difference between</p> <p>25 Exhibit 28 and the -- and what's shown in the</p>
190	<p>1 <b>A. They split the remaining 1 percent --</b></p> <p>2 Q. 1 percent.</p> <p>3 <b>A. -- of value.</b></p> <p>4 Q. You're right. Thank you for the correction.</p> <p>5 And then on the Brave Holdings's side, that</p> <p>6 .5 percent of value flows up to USP2, correct?</p> <p>7 <b>A. I see that here on the chart, yes.</b></p> <p>8 Q. So 99.5 percent of the 70 percent goes to USP2;</p> <p>9 isn't that true?</p> <p>10 <b>A. I see that from the chart.</b></p> <p>11 Q. So is your criticism of Exhibit 104 that Beecher</p> <p>12 should have been more precise that it's not 70 percent,</p> <p>13 that it's 99.5 percent of 70 percent?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 THE WITNESS: I believe you asked me if I</p> <p>16 thought it was accurate, and for me, no, that's -- that's</p> <p>17 not an accurate depiction to put "Dondero, 70 percent</p> <p>18 Patton. "</p> <p>19 BY MR. BURT:</p> <p>20 Q. So you want to be so precise, you would rather</p> <p>21 that it say it's 99.5 percent of 70 percent of Patton is</p> <p>22 owned by Dondero, because that's what would reflect what's</p> <p>23 on the flow -- on the structure, right?</p> <p>24 <b>A. I think that would be a better depiction.</b></p> <p>25 Q. So that would be -- those level -- that level of</p>	192	<p>1 restructuring is, after HAL Holdings, Elderflower is</p> <p>2 eliminated?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 BY MR. BURT:</p> <p>5 Q. In terms of where that 99 percent value goes?</p> <p>6 <b>A. Specific- --</b></p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: Specifically, as related to</p> <p>9 Elderflower, I see, yes, that Elderflower was eliminated</p> <p>10 on the restructured chart, which was provided to CIMA.</p> <p>11 BY MR. BURT:</p> <p>12 Q. All right. And the 1 percent value that doesn't</p> <p>13 go up to Elderflower and USP1, goes to Greystone the IV,</p> <p>14 which is the same in both pre and post restructuring,</p> <p>15 right?</p> <p>16 <b>A. I see that here.</b></p> <p>17 Q. Okay. So of the 30 percent value that split off</p> <p>18 from Sentinel Re Holdings that went to Nimitz, 99 percent</p> <p>19 of that 30 percent went to USP1, ultimately, correct?</p> <p>20 MS. SMITH: Objection to form.</p> <p>21 THE WITNESS: I see that as represented on</p> <p>22 these documents in front of me.</p> <p>23 BY MR. BURT:</p> <p>24 Q. All right. And then looking at Exhibit 104,</p> <p>25 because we like to be precise here, you would have said:</p>

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1 99 percent of 30 percent is what Ellington's ownership  
2 interest of Sentinel is, right?  
3 MS. SMITH: Objection to form.  
4 THE WITNESS: I -- I think it would be more  
5 precise to not put "30 percent Ellington Nimitz."  
6 BY MR. BURT:  
7 Q. But it would have been more precise to say  
8 "99 percent of 30 percent Ellington Nimitz," correct?  
9 **A. Yes. But I don't know -- I don't know if it's**  
10 **accurate to put "Ellington/Dondero" in it. I don't -- I**  
11 **didn't put this together; I don't know what they're --**  
12 Q. Well, let's -- let's look --  
13 **A. -- referencing.**  
14 Q. -- let's look at Exhibit 103 again, and what was  
15 -- what was represented to CIMA in the e-mail from Leonna  
16 Saintvil.  
17 **A. Right.**  
18 Q. Number 2: USP1 and USP2 are individuals, U.S.  
19 Person 1 and U.S. Person 2, who are known to CIMA, as  
20 referenced in my e-mail with the org chart, USP1 is Scott  
21 Ellington, while USP2 is James Dondero.  
22 That's what your administrator told CIMA,  
23 the regulator, isn't it?  
24 **A. Right. On June 20th, 2019. Exhibit 104 is dated**  
25 **25 October 3rd, 2018.**

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1 Q. And so you're saying that Beecher may have just  
2 been totally wrong pre-2018, and that now Mr. Dondero and  
3 Ellington weren't actually the owners; they were just  
4 wrong here. Is that your testimony?  
5 MS. SMITH: Objection to form.  
6 THE WITNESS: I'm not saying Beecher's  
7 wrong; I'm saying they're not very precise in their  
8 depiction on this paper that I'm looking at.  
9 BY MR. BURT:  
10 Q. Okay. So it's precision that you're -- that  
11 you're quarreling with, not the actual fact that  
12 Mr. Dondero owned 99.5 percent of Patton and Mr. Ellington  
13 owned 90 percent -- 99 percent of the 30 percent of  
14 Nimitz, right?  
15 MS. SMITH: Objection to form.  
16 THE WITNESS: I just think this could have  
17 been a bit more clear.  
18 BY MR. BURT:  
19 Q. You would have been clearer, right, if you had  
20 put this together?  
21 **A. Probably.**  
22 Q. Okay. I want to go back to, I believe -- it's  
23 the CIMA letter. I think it's 10- -- 101. Thank you.  
24 **A. The CIMA Inspection Report?**  
25 Q. Yeah. Thank you. Yes, the CIMA Inspection

195

1 Report.  
2 **A. Okay.**  
3 Q. Just one moment, please.  
4 **A. Uh-huh.**  
5 Q. Apologies.  
6 Okay. I want to look at page 14 of the --  
7 of the CIMA Inspection Report. And bef- -- before we read  
8 that -- actually, if you could pull out Exhibit 100 one  
9 more time, which is --  
10 **A. Uh-huh.**  
11 Q. -- the e-mail that lists all of the various  
12 sections and -- and who Beecher was recommending be  
13 responsible for the response.  
14 And on page 2 of that, there's -- there's a  
15 section that says, "Succession Planning."  
16 Do you see that?  
17 **A. I do.**  
18 Q. And under 5.2.5.1, it states: Matt -- and then:  
19 Katie mentioned the two others, Jan and Damien, having  
20 insurance knowledge.  
21 Do you recall what that is referring?  
22 **A. Yes. Jan and Damien were other directors of**  
23 **Sentinel Reinsurance, Ltd.**  
24 Q. At what time?  
25 **A. I don't recall.**

196

1 Q. So this e-mail is April of 2019.  
2 Is it fair that they were directors around  
3 that time, April of 2019?  
4 **A. I would assume so.**  
5 Q. Okay. And is it Jan Neveril and Damien -- Damien  
6 Austin?  
7 **A. Yes.**  
8 Q. Okay. Were they -- were they located in the  
9 Caymans, or did they live in Dallas?  
10 **A. No, they're in Cayman.**  
11 Q. Cayman?  
12 And if we go now back to page 14 of the CIMA  
13 letter --  
14 **A. Uh-huh.**  
15 Q. Well, actually, before I ask that, do you recall  
16 having a conversation with Beecher about the directors, as  
17 reflected here?  
18 MS. SMITH: Objection to form.  
19 THE WITNESS: Not specifically.  
20 BY MR. BURT:  
21 Q. All right. So under "Succession Planning" --  
22 before I ask that, you said "not specifically."  
23 How about generally, do you recall any  
24 general discussions with -- with Beecher Carlson about the  
25 directors?

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50 (197 to 200)

197	<p>1     <b>A. No.</b></p> <p>2     Q. So on page 14, "Succession Planning," 5.2.5.1,</p> <p>3 the finding is: The Licensee has a board comprising of</p> <p>4 four directors. Of the four directors, only one director</p> <p>5 has direct insurance business expertise and experience.</p> <p>6 However, the Authority observed that the Licensee's CGF</p> <p>7 does not only lack a criteria for appointment of directors</p> <p>8 and balancing of skills and experience on the board, but</p> <p>9 it also does not entail a succession plan for those</p> <p>10 currently serving as directors. Should the single</p> <p>11 director with insurance industry experience being</p> <p>12 incapacitated, the board will not have sufficient</p> <p>13 expertise to adequately provide oversight of management</p> <p>14 and the Licensee's affairs.</p> <p>15       Do you recall that criticism of CIMA?</p> <p>16     <b>A. I see it --</b></p> <p>17       MS. SMITH: Objection to form.</p> <p>18       THE WITNESS: I see it here.</p> <p>19 BY MR. BURT:</p> <p>20     Q. And do you recall having any conversations with</p> <p>21 Beecher responding to that criticism?</p> <p>22       MS. SMITH: Objection to form.</p> <p>23       THE WITNESS: No.</p> <p>24 BY MR. BURT:</p> <p>25     Q. If you look at page 15, under "Management</p>	199	<p>1 on behalf of Sentinel?</p> <p>2     <b>A. No.</b></p> <p>3       MR. BURT: Mark this as Exhibit --</p> <p>4       THE STENOGRAPHIC REPORTER: 105.</p> <p>5       MR. BURT: -- 105.</p> <p>6       (Exhibit 105 was marked for identification.)</p> <p>7       MS. HARTMANN: Jason, do you have another</p> <p>8 one? If not, that's okay.</p> <p>9       MR. BURT: Oh. It's right here.</p> <p>10       MS. HARTMANN: Okay. That's for you?</p> <p>11       MR. BURT: Yep.</p> <p>12       MS. HARTMANN: Okay.</p> <p>13       MR. BURT: That was a bad toss.</p> <p>14       MS. SMITH: I didn't get one.</p> <p>15       MS. HARTMANN: Oh, you didn't get one?</p> <p>16       MR. BURT: Like, a really bad toss. Here</p> <p>17 you go.</p> <p>18       MS. SMITH: 105?</p> <p>19       MR. BURT: 105, yes.</p> <p>20       THE WITNESS: (Witness reviews document.)</p> <p>21 Okay.</p> <p>22 BY MR. BURT:</p> <p>23     Q. Okay. Now we're going to look at a number of</p> <p>24 e-mails in here, but I actually want to start with the</p> <p>25 last two.</p>
198	<p>1 Response," 5.2.5.4, it states: The Licensee's board is</p> <p>2 composed of four directors. However, the Licensee has</p> <p>3 two, not one, directors with direct insurance business</p> <p>4 expertise and experience, Jan Neveril and Damien Austin,</p> <p>5 rendering the statement inaccurate that the Licensee would</p> <p>6 be left with insufficient expertise...</p> <p>7       And it goes on.</p> <p>8       Did you have any part in drafting that?</p> <p>9     <b>A. Not that I recall.</b></p> <p>10     Q. But according to Exhibit 100, you had told</p> <p>11 Beecher, at some point, that both Jan and Damien have</p> <p>12 insurance knowledge, right?</p> <p>13       MS. SMITH: Objection to form.</p> <p>14       THE WITNESS: I don't know if I told Beecher</p> <p>15 specifically, but --</p> <p>16 BY MR. BURT:</p> <p>17     Q. Well, it says: Katie mentioned the two others.</p> <p>18     <b>A. Okay.</b></p> <p>19     Q. Do -- do you recall that?</p> <p>20     <b>A. No, I don't recall that.</b></p> <p>21     Q. Okay. Mrs. Irving, was there ever a time when</p> <p>22 you had authority for Sentinel to approve payments or</p> <p>23 invoices?</p> <p>24     <b>A. No.</b></p> <p>25     Q. Do you recall ever approving a payment or invoice</p>	200	<p>1       There's an e-mail on Monday, October 22nd,</p> <p>2 2018 -- this is the second e-mail in the chain -- from Tom</p> <p>3 Adamczak at Beecher to you, katieirving@sasmanagement.com,</p> <p>4 cc'ing Matt DiOrio and Alli Devins.</p> <p>5       And he states here: Agreed -- and, again,</p> <p>6 we'll look at the other e-mails in a moment. He says:</p> <p>7 Assuming that Beecher is to be the initiator on all</p> <p>8 payments -- sorry. I should state for the record, the</p> <p>9 subject is: RE: Sentinel DSAs.</p> <p>10       Agreed. Assuming that Beecher is to be</p> <p>11 initiated on all payments, perhaps something like the</p> <p>12 following would be appropriate: One, Beecher receives</p> <p>13 invoices submitted for payment and verifies they have not</p> <p>14 already been processed; two, Beecher obtains initial</p> <p>15 approval to pay for Matt DiOrio, (alternatively, J.P. and</p> <p>16 Katie, depending on availability or nature of the</p> <p>17 invoice.)</p> <p>18       Do you see that?</p> <p>19     <b>A. I do.</b></p> <p>20     Q. And he goes on to explain what else happens. And</p> <p>21 he says: Let me know if you have any comments or changes.</p> <p>22 We can formalize this, or something like it, as policy, if</p> <p>23 you want. Tom.</p> <p>24       You then respond on October 22nd, the same</p> <p>25 day, in fact, just 14 -- 12, 13 minutes later, saying:</p>

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51 (201 to 204)

201	<p>1 This looks okay to me. Thank you. Do you have the</p> <p>2 necessary tokens log-in input info for CIBC?</p> <p>3 So do you recall this e-mail exchange?</p> <p>4 <b>A. No.</b></p> <p>5 Q. You don't recall approving that, in the</p> <p>6 alternative, you and J.P. could provide initial approval</p> <p>7 to pay Beecher Sentinel invoices?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 THE WITNESS: No. J.P. and I did not have</p> <p>10 authority to pay anything from Sentinel. However, this</p> <p>11 e-mail, if you read the balance of it, Items 3, 4, 5 and</p> <p>12 6, this is mostly like a gut check so that the invoice</p> <p>13 could be put forward to the directors, who would have the</p> <p>14 authority to pay it.</p> <p>15 BY MR. BURT:</p> <p>16 Q. So by "gut check," you mean when he states</p> <p>17 "initial approval to pay"? Is that the "gut check" that</p> <p>18 you're referring to?</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. So Mr. DiOrio, Mr. Sevilla, or yourself would</p> <p>21 provide a gut check on -- on the invoice that came in and</p> <p>22 whether Sentinel should pay; is that fair?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 THE WITNESS: That's what Tom Adamczak is</p> <p>25 suggesting in this e-mail.</p>	203	<p>1 <b>A. Yes.</b></p> <p>2 Q. And the directors were paid for their service --</p> <p>3 services as Sentinel directors?</p> <p>4 <b>A. Yes.</b></p> <p>5 MS. SMITH: Objection to form.</p> <p>6 BY MR. BURT:</p> <p>7 Q. Was Mr. DiOrio paid for his services as a</p> <p>8 Sentinel director?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: I don't know.</p> <p>11 BY MR. BURT:</p> <p>12 Q. You -- you just testified that directors were</p> <p>13 paid. Would Mr. DiOrio have been an exception to that</p> <p>14 when he was a Sentinel director?</p> <p>15 <b>A. I don't know. I know the outside directors were</b></p> <p>16 <b>paid.</b></p> <p>17 Q. So he was an inside director?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 THE WITNESS: No. I know the -- I know that</p> <p>20 Jan and -- well, I don't know if it's Jan and Damien.</p> <p>21 There were directors based in Cayman who were paid.</p> <p>22 BY MR. BURT:</p> <p>23 Q. And you saw some of those invoices?</p> <p>24 <b>A. I believe so, yes.</b></p> <p>25 Q. Did you ever see an invoice to pay Mr. DiOrio</p>
202	<p>1 BY MR. BURT:</p> <p>2 Q. Well -- and then you said, "This looks okay to</p> <p>3 me," right?</p> <p>4 <b>A. Yes, I wrote, "This looks okay to me."</b></p> <p>5 Q. You don't say anywhere: Wait, I don't have</p> <p>6 authority to -- to make an initial approval; I can't do</p> <p>7 that. You don't say that, do you?</p> <p>8 <b>A. I said --</b></p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: -- "This looks okay to me.</p> <p>11 Thank you."</p> <p>12 BY MR. BURT:</p> <p>13 Q. Right.</p> <p>14 And how many times did you provide that gut</p> <p>15 check?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 THE WITNESS: I don't know.</p> <p>18 BY MR. BURT:</p> <p>19 Q. Do you recall receiving invoices for Sentinel and</p> <p>20 looking at them?</p> <p>21 <b>A. I would receive invoices like registered office</b></p> <p>22 <b>fees or, in this case, Director Service Agreements, DSAs.</b></p> <p>23 Q. Uh-huh.</p> <p>24 So you would receive those and look at</p> <p>25 those?</p>	204	<p>1 from Sentinel?</p> <p>2 <b>A. Not that I recall, no.</b></p> <p>3 Q. So DSAs, some overhead expenses for Sentinel,</p> <p>4 things like that, you would see those invoices?</p> <p>5 <b>A. Generally, yes.</b></p> <p>6 Q. How about payments on policies, would you see</p> <p>7 those?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 THE WITNESS: No.</p> <p>10 BY MR. BURT:</p> <p>11 Q. So if Sentinel was paying out on a policy, you</p> <p>12 wouldn't have seen that?</p> <p>13 <b>A. No.</b></p> <p>14 Q. Did you have any knowledge of Sentinel ever</p> <p>15 paying on one of the D&amp;O policies that it had issued?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 THE WITNESS: Not that I recall.</p> <p>18 BY MR. BURT:</p> <p>19 Q. Meaning you don't recall Sentinel ever having</p> <p>20 paid on a D&amp;O policy?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 THE WITNESS: Not that I recall, no.</p> <p>23 BY MR. BURT:</p> <p>24 Q. On the ATE policy that you have testified about</p> <p>25 today that you know did exist, do you recall Sentinel ever</p>

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52 (205 to 208)

205	<p>1 paying on that?</p> <p>2 <b>A. I don't know.</b></p> <p>3 Q. Okay. Let's go back in this e-mail chain, and</p> <p>4 if -- if we look at the first e-mail in the chain, it's --</p> <p>5 which was on page 4, the Bates at the bottom has 7047.</p> <p>6 And it's from you, katieirving@sasmanagement.com to</p> <p>7 Lesley Thompson and Andrew Dean.</p> <p>8 Who were they?</p> <p>9 <b>A. I believe they were directors for Sentinel</b></p> <p>10 <b>Reinsurance, Ltd., at MaplesFS.</b></p> <p>11 Q. And you cc on this e-mail Dilip Massand. Who was</p> <p>12 he?</p> <p>13 <b>A. Dilip Massand --</b></p> <p>14 Q. Yep.</p> <p>15 <b>A. -- he -- he was a consultant, essentially, for</b></p> <p>16 <b>some SAS matters in the Middle East.</b></p> <p>17 Q. Why would you have cc'd him on a Sentinel DSA</p> <p>18 e-mail?</p> <p>19 <b>A. Presumably because he was going to be added as a</b></p> <p>20 <b>new director.</b></p> <p>21 Q. Okay. Then you also add Matt DiOrio and</p> <p>22 J.P. Sevilla, correct?</p> <p>23 <b>A. I see them here.</b></p> <p>24 Q. Pete Kranz, who is that?</p> <p>25 <b>A. He worked with Beecher Carlson.</b></p>	207	<p>1 insurance knowledge.</p> <p>2 BY MR. BURT:</p> <p>3 Q. So why, then, did you just testify that there was</p> <p>4 a need to bring on directors with direct insurance</p> <p>5 knowledge?</p> <p>6 <b>A. Because two directors were leaving who had direct</b></p> <p>7 <b>insurance knowledge, and there was a need for new</b></p> <p>8 <b>directors to have insurance knowledge.</b></p> <p>9 Q. Why were -- why were Lesley Thompson and</p> <p>10 Andrew Dean leaving?</p> <p>11 MS. SMITH: Objection to form.</p> <p>12 THE WITNESS: I don't know.</p> <p>13 BY MR. BURT:</p> <p>14 Q. Okay. Mrs. Thompson responds to you: Thanks for</p> <p>15 sending these through.</p> <p>16 She talks about board resolutions to approve</p> <p>17 the appointment of Damien and Jan -- is it "Jan" or "Jan"?</p> <p>18 <b>A. "Jan."</b></p> <p>19 Q. -- Jan and to accept the resignation of Andrew</p> <p>20 and myself and to authorize or ratify the signing of the</p> <p>21 DSAs. Given that Andrew and I will be stepping down, the</p> <p>22 DSAs may be best signed by either Matt or Dilip or the</p> <p>23 shareholder if deemed more appropriate.</p> <p>24 Do you see that?</p> <p>25 <b>A. I do.</b></p>
206	<p>1 Q. And then Tom Adamczak, we know, was at Beecher,</p> <p>2 right?</p> <p>3 <b>A. (Witness nods head affirmatively.)</b></p> <p>4 Q. And Jonathan Arbeit, I believe, was at Beecher as</p> <p>5 well?</p> <p>6 <b>A. Correct.</b></p> <p>7 Q. And so you state: Directors please see the</p> <p>8 attached DSAs for new Sentinel directors and, subject to</p> <p>9 review and approval, please provide countersigned copies.</p> <p>10 Do you see that?</p> <p>11 <b>A. I see that.</b></p> <p>12 Q. Do you recall participating in this process in</p> <p>13 October of 2018 of bringing on new directors and old</p> <p>14 directors stepping off Sentinel?</p> <p>15 MS. SMITH: Objection to form.</p> <p>16 THE WITNESS: Vaguely.</p> <p>17 BY MR. BURT:</p> <p>18 Q. What do you recall about that?</p> <p>19 <b>A. Just that it happened. I recall the need for new</b></p> <p>20 <b>directors who had direct insurance knowledge.</b></p> <p>21 Q. So prior to that time, did -- when --</p> <p>22 Mrs. Thompson and Mr. Dean, when they were serving as</p> <p>23 directors, did they not have direct insurance knowledge?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 THE WITNESS: I'm sure they did have direct</p>	208	<p>1 Q. Who was she referring to when she says "or the</p> <p>2 shareholder"?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 THE WITNESS: I don't know.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Were you aware that sha- -- a shareholder could</p> <p>7 sign these types of board resolutions?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 THE WITNESS: Only insofar as she's telling</p> <p>10 me this, and she is a director. I don't know.</p> <p>11 BY MR. BURT:</p> <p>12 Q. Did you ever have a shareholder of Sentinel sign</p> <p>13 anything for Sentinel, a board resolution?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 THE WITNESS: Not that I recall.</p> <p>16 BY MR. BURT:</p> <p>17 Q. All right. She then says: We should also take</p> <p>18 the opportunity to update the authorized signatories for</p> <p>19 both the CIBC and the Maples's client money account to</p> <p>20 remove Andrew and myself and replace with others, as</p> <p>21 appropriate.</p> <p>22 What is the CIBC account she is referring</p> <p>23 to?</p> <p>24 <b>A. CIBC is a bank in Cayman. So, presumably, it's a</b></p> <p>25 <b>bank account.</b></p>

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209	<p>1 Q. And do you know what that bank account was for</p> <p>2 Sentinel? Was it one of Sentinel's accounts?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 THE WITNESS: I don't know.</p> <p>5 BY MR. BURT:</p> <p>6 Q. You don't recall if Sentinel had a CIBC account?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: I didn't think that was your</p> <p>9 prior question. From this document, it looks as though</p> <p>10 there was a CIBC account.</p> <p>11 BY MR. BURT:</p> <p>12 Q. And putting the document aside, what is your</p> <p>13 recollection about the -- about Sentinel's banking with</p> <p>14 CIBC?</p> <p>15 A. I believe there was an account at one time, and I</p> <p>16 -- I don't know. It's not something I managed.</p> <p>17 Q. Moving to page 3, moving up in the e-mail chain,</p> <p>18 Mrs. Thompson e-mails with you and Andrew Dean on Tuesday,</p> <p>19 October 16th. She talks about following up on this. What</p> <p>20 is the anticipated date for meeting to record the change</p> <p>21 in directors and signatories? And she goes on.</p> <p>22 Moving up from that, she then says, on</p> <p>23 October 19th, three days later: Dear All, we</p> <p>24 haven't heard -- as we haven't heard any objections to the</p> <p>25 below-proposed date, please note that Andrew and I will be</p>	211	<p>1 Q. Sitting here today, do you know whether the</p> <p>2 change in directors had anything to do with the CIMA</p> <p>3 investigation?</p> <p>4 MS. SMITH: Objection to form.</p> <p>5 THE WITNESS: It wasn't an investigation; it</p> <p>6 was an inspection, a routine inspection.</p> <p>7 BY MR. BURT:</p> <p>8 Q. Call it what you want.</p> <p>9 Routine inspection, did this have anything</p> <p>10 to do with the CIMA routine inspection?</p> <p>11 A. I don't --</p> <p>12 MS. SMITH: Objection to form.</p> <p>13 THE WITNESS: I don't know. I don't know.</p> <p>14 BY MR. BURT:</p> <p>15 Q. Did you gather the signatures on these board</p> <p>16 resolutions?</p> <p>17 A. I don't know.</p> <p>18 Q. You don't recall doing that?</p> <p>19 A. I don't recall.</p> <p>20 Q. Was it common for you to -- to e-mail with board</p> <p>21 members of Sentinel?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 THE WITNESS: It wasn't uncommon.</p> <p>24 BY MR. BURT:</p> <p>25 Q. Okay. And what would you typically e-mail about?</p>
210	<p>1 circulating our resignation letters, effective today,</p> <p>2 later this afternoon.</p> <p>3 Do you recall that?</p> <p>4 A. No.</p> <p>5 Q. And you respond then, on Friday, October 19th,</p> <p>6 the same day, to Lesley Thompson and say: Lesley, please</p> <p>7 hold until Tuesday while we gather signatures, and please</p> <p>8 instruct drafting the resolutions to approve the change.</p> <p>9 We need a smooth transition on this, please.</p> <p>10 Do you recall that e-mail?</p> <p>11 A. No.</p> <p>12 Q. Do you know why you said you needed a smooth</p> <p>13 transition?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 THE WITNESS: Because sometimes things can</p> <p>16 move very slowly, and we needed to make sure that there</p> <p>17 was no lapse in directorship.</p> <p>18 BY MR. BURT:</p> <p>19 Q. Was CIMA doing its investigation at this time</p> <p>20 with Sentinel?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 THE WITNESS: I don't know. I don't know.</p> <p>23 BY MR. BURT:</p> <p>24 Q. You don't recall?</p> <p>25 A. I don't know.</p>	212	<p>1 A. Generally, it would be the mundane general</p> <p>2 business OPEX, registered office fees or directorship fees</p> <p>3 or something like that.</p> <p>4 Q. So to get their approval for those types of</p> <p>5 things?</p> <p>6 A. Not --</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: Not necessarily their</p> <p>9 approval. That's something Beecher would generally</p> <p>10 obtain.</p> <p>11 BY MR. BURT:</p> <p>12 Q. Uh-huh.</p> <p>13 A. But looping them in or something like that.</p> <p>14 Q. Okay. Now, in this time period of -- of October</p> <p>15 of 2018, the -- the late part of October 2018, do you</p> <p>16 recall ever attending a board meeting of Sentinel?</p> <p>17 A. I don't recall.</p> <p>18 Q. Moving up in the chain, Mrs. Thompson says: Hi,</p> <p>19 Katie, the 23rd is acceptable. And then you respond:</p> <p>20 Good morning, Lesley, confirming you've instructed</p> <p>21 resolutions per below.</p> <p>22 And then, at the very top of this page, and</p> <p>23 -- and if you look at the -- page 1, you'll see it's an</p> <p>24 e-mail from you on Monday, October 22nd, to</p> <p>25 Lesley Thompson. You state: Matt and Dilip should not</p>

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213	<p>1 have signing authority for bank accounts, only documents. 2 You see that? 3 <b>A. I see it.</b> 4 Q. Why did Matt and Dilip not have signing authority 5 for bank accounts? 6 MS. SMITH: Objection to form. 7 THE WITNESS: I don't remember. 8 BY MR. BURT: 9 Q. Well, this is e- -- this is an e-mail from you, 10 and you're giving that instruction. 11 You don't have any recollection of why it 12 was that Mr. DiOrio and Dilip should not have signing 13 authority for bank accounts? 14 MS. SMITH: Objection to form. 15 THE WITNESS: I don't remember. I can 16 speculate, but I don't remember. 17 BY MR. BURT: 18 Q. What's your general understanding of why they 19 couldn't have signing authority on a bank account for 20 Sentinel? 21 MS. SMITH: Objection to form. 22 THE WITNESS: Likely tax-related or 23 U.S.-person-related. 24 BY MR. BURT: 25 Q. What do you mean by "U.S.-person-related"?</p>	215	<p>1 <b>A. I meant sign -- they can sign documents and not</b> 2 <b>have authority over the bank accounts.</b> 3 Q. And by "documents," you meant other documents 4 that a Sentinel board member would be authorized to sign? 5 <b>A. Yes.</b> 6 Q. Tom then responds to you, and he -- he responds 7 just to you and cc's Mr. DiOrio and states: Katie, is it 8 your intention to require two directors to sign to release 9 payments? That might prove to be problematic if one is 10 out. Just my thoughts, Tom. 11 You then respond on the same day: No, one 12 director should be fine. We do need a clear process 13 between this team, Beecher, and CIBC for banking payments 14 from Sentinel. 15 Do you see that? 16 <b>A. I do.</b> 17 Q. Why is it that Beecher Carlson, "Tom," was asking 18 you about what your intentions for releasing payments at 19 Sentinel was? 20 MS. SMITH: Objection to form. 21 THE WITNESS: It's really just a checks and 22 balances, you know: Would this feel sufficient from a 23 treasury management perspective? 24 BY MR. BURT: 25 Q. And, here, you're instructing Beecher, the</p>
214	<p>1 <b>A. That it was more streamlined to have Cayman</b> 2 <b>signatories on the Cayman banking accounts.</b> 3 Q. Because Matt was in Texas here, right? 4 <b>A. Yes.</b> 5 Q. Where was Dilip? 6 <b>A. UAE.</b> 7 Q. In the UAE. 8 What did you mean by they should not 9 have signing -- when you said "only documents," what did 10 you mean by that? Did they have signing authority for 11 documents, like they could sign resolutions, things like 12 that? 13 <b>A. By "only documents," I really meant any nonbank</b> 14 <b>account authority that a director would have for signatory</b> 15 <b>authority.</b> 16 Q. Okay. So other than signing on bank accounts, 17 they had authority to sign whatever else was necessary for 18 Sentinel as a director? 19 MS. SMITH: Objection to form. 20 THE WITNESS: I don't know. 21 BY MR. BURT: 22 Q. Well, you wrote this. 23 <b>A. I did.</b> 24 Q. So I'm trying to get -- I'm trying to understand 25 what -- what it is that you meant by this.</p>	216	<p>1 administrator, on how many directors should sign on behalf 2 of Sentinel, right? 3 MS. SMITH: Objection to form. 4 THE WITNESS: I'm conveying one director 5 seems fine to me; I'm not instructing them. 6 BY MR. BURT: 7 Q. Did they have -- did Beecher ignore your advice 8 and say: Nah, we think two is required? Could they have 9 done that? 10 <b>A. Yes.</b> 11 Q. So you had no authority over Beecher? 12 <b>A. No.</b> 13 Q. Okay. How about Mr. DiOrio, did he have 14 authority over Beecher? 15 MS. SMITH: Objection to form. 16 THE WITNESS: I don't think so. 17 BY MR. BURT: 18 Q. Could you-all at HCMLP ultimately tell Beecher 19 what to do, and they would have to follow, or were they 20 instructing you what to do as -- as it pertained to 21 Sentinel? 22 MS. SMITH: Objection to form. 23 THE WITNESS: Beecher generally instructed 24 us what to do. 25 BY MR. BURT:</p>



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55 (217 to 220)

217	1 Q. You said "generally." Was that the rule: We 2 accept the direction of Beecher, and we do what they say? 3 MS. SMITH: Objection to form. 4 THE WITNESS: As far as I recall. 5 BY MR. BURT: 6 Q. So if that's the case, why is he asking you about 7 how many directors should be required to pay? 8 MS. SMITH: Objection to form. 9 THE WITNESS: I don't know why he's asking 10 me that. 11 BY MR. BURT: 12 Q. Well, you don't tell him that. You don't say: 13 Why are you asking me? You're the administrator. 14 You direct him: No, one is fine. Don't 15 you? 16 <b>A. That's what the paper says, yes.</b> 17 Q. And then you instruct him further: We do need a 18 clear process between this team, Beecher, and CIBC for 19 banking payments from Sentinel. 20 What did you mean by "this team"? 21 MS. SMITH: Objection to form. 22 THE WITNESS: Probably the team on the 23 e-mail. 24 BY MR. BURT: 25 Q. Which was who?	219	1 BY MR. BURT: 2 Q. And by whom? 3 <b>A. Probably my boss, Scott Ellington.</b> 4 Q. Okay. He asked you to work on Sentinel, didn't 5 he? 6 <b>A. I think so.</b> 7 Q. And never, at any time, were you a Sentinel 8 employee, were you? 9 <b>A. I was not a Sentinel employee.</b> 10 Q. You were a HCMLP employee, weren't you? 11 <b>A. Yes, I was.</b> 12 Q. And you've been very clear about this in this 13 deposition, that you were only ever employed by HCMLP 14 until 2021, right? 15 <b>A. Yes.</b> 16 Q. And, yet, here you are as an HCMLP employee 17 directing Beecher what it should do as it pertains to the 18 Sentinel bank accounts, weren't you? 19 MS. SMITH: Objection. You're badgering 20 her. 21 MR. BURT: This is not badgering. 22 THE WITNESS: You're pointing at me a lot. 23 MR. BURT: I'm holding my glasses. 24 THE WITNESS: And pointing them at me a lot. 25 Beecher asked my comfort level here.
218	1 <b>A. It appears here on the paper, me, Tom, and Matt.</b> 2 Q. Well, Tom was Beecher. 3 <b>A. Right.</b> 4 Q. So who is "this team"? 5 <b>A. Probably me and Matt.</b> 6 Q. Just you and Matt? 7 MS. SMITH: Objection to form. 8 THE WITNESS: I don't know. 9 BY MR. BURT: 10 Q. Well, you wrote it, so I want to understand what 11 you meant by it. 12 <b>A. I don't know.</b> 13 Q. And, frankly, I have a hard time believing you 14 don't know. 15 <b>A. I don't know. Matt and I are the only ones on</b> 16 <b>the e-mail.</b> 17 Q. So were you and Matt the Sentinel team at HCMLP? 18 MS. SMITH: Objection to form. 19 THE WITNESS: HCMLP didn't have a "Sentinel 20 team." 21 BY MR. BURT: 22 Q. Well, then, why were you working on it? 23 MS. SMITH: Objection to form. 24 THE WITNESS: Because I was -- I was 25 instructed, or asked, to work on it.	220	1 Beecher easily could have said: We need two directors. 2 BY MR. BURT: 3 Q. And that wasn't my question. 4 <b>A. Would you repeat your question, please?</b> 5 Q. Sure. Let's go back. 6 Yet, here you are as an HCMLP employee 7 directing Beecher what it should do as it pertains to the 8 Sentinel bank accounts, weren't you? 9 <b>A. No.</b> 10 Q. Are you denying that that's what you were doing 11 here? 12 MS. SMITH: Objection to form. 13 THE WITNESS: I don't understand what you're 14 asking me here. 15 BY MR. BURT: 16 Q. You don't? 17 <b>A. I just said I don't understand what you're asking</b> 18 <b>me.</b> 19 Q. Okay. You don't understand that I'm asking you 20 why it is that you, as an HCMLP employee, can tell Beecher 21 what it should do as it respects the Sentinel bank 22 accounts? 23 MS. SMITH: Objection to form. 24 THE WITNESS: I don't know. 25 BY MR. BURT:



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56 (221 to 224)

221	<p>1 Q. Why did there have to be a clear process between</p> <p>2 you and Mr. DiOrio, Beecher, and CIBC for banking payments</p> <p>3 from Sentinel?</p> <p>4 <b>A. Because Beecher, the administrator for Sentinel,</b></p> <p>5 <b>Beecher does all the accounting for Sentinel. CIBC was</b></p> <p>6 <b>the bank. So say, for example, I have a director fee or a</b></p> <p>7 <b>registered office fee that comes to my desk, I need to</b></p> <p>8 <b>know: Who do I send that to? Does it go direct to the</b></p> <p>9 <b>directors? Does it go through Beecher? How is Beecher</b></p> <p>10 <b>going to account for it? How is this going to be a</b></p> <p>11 <b>seamless process to make sure that everything is</b></p> <p>12 <b>completed.</b></p> <p>13 Q. Well, here is my question: Why is that coming to</p> <p>14 you at all? You just said Beecher does all the</p> <p>15 accounting.</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 BY MR. BURT:</p> <p>18 Q. Why does it come to you?</p> <p>19 <b>A. It -- it could potentially come to me in a batch</b></p> <p>20 <b>of other invoices or something. So say I get a large</b></p> <p>21 <b>batch with multiple entities, then the Sentinel ones would</b></p> <p>22 <b>be going to Beecher for their review.</b></p> <p>23 Q. So let's break that apart.</p> <p>24 A batch of what, invoices?</p> <p>25 <b>A. Yeah, like registered office.</b></p>	223	<p>1 <b>notification process to the directors that payments were</b></p> <p>2 <b>made on time. That's what I mean by -- by the clear</b></p> <p>3 <b>process.</b></p> <p>4 Q. I see.</p> <p>5 Was it just entities in the SAS structure</p> <p>6 and the Sentinel structure for which you would receive</p> <p>7 invoices?</p> <p>8 <b>A. Yes.</b></p> <p>9 Q. No others?</p> <p>10 <b>A. Not that I recall.</b></p> <p>11 Q. Okay. How about in relation to HCMLP entities,</p> <p>12 did you receive invoices for them?</p> <p>13 MS. SMITH: Objection, form.</p> <p>14 THE WITNESS: Not that I recall.</p> <p>15 BY MR. BURT:</p> <p>16 Q. Okay. All right. That's helpful.</p> <p>17 Okay. You can set that aside for a moment.</p> <p>18 I believe -- correct me if I'm wrong -- I</p> <p>19 just want to double-check something -- you're not aware of</p> <p>20 there having been a -- a Shared Services Agreement between</p> <p>21 HCMLP and Sentinel, right?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 THE WITNESS: I don't know.</p> <p>24 BY MR. BURT:</p> <p>25 Q. But you don't know if there was one?</p>
222	<p>1 Q. So you get a batch and -- for -- for a bunch of</p> <p>2 different entities, a bunch of invoices?</p> <p>3 <b>A. I could, yes.</b></p> <p>4 Q. And those all come to you?</p> <p>5 <b>A. They could, yes.</b></p> <p>6 Q. An HCMLP employee, right?</p> <p>7 <b>A. Yes. We have established that I'm -- I was only</b></p> <p>8 <b>ever employed by HCMLP --</b></p> <p>9 Q. Right.</p> <p>10 <b>A. -- up until my termination, yes.</b></p> <p>11 Q. And -- and then -- so but all of these various</p> <p>12 entities and their invoices are coming to you at HCMLP,</p> <p>13 right --</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 BY MR. BURT:</p> <p>16 Q. -- in a batch, to use your words?</p> <p>17 <b>A. The Sentinel and SAS structure charts, which</b></p> <p>18 <b>you've shown me, entities on those charts could have bills</b></p> <p>19 <b>that would come to me in a batch, not HCMLP-related</b></p> <p>20 <b>invoices --</b></p> <p>21 Q. Okay.</p> <p>22 <b>A. -- totally separate and apart from HCMLP.</b></p> <p>23 <b>Cayman entity -- Cayman-related invoices</b></p> <p>24 <b>would come to me. If it was Sentinel-related, I needed to</b></p> <p>25 <b>make sure the administrator was aware, there was a proper</b></p>	224	<p>1 <b>A. I don't know.</b></p> <p>2 Q. You never saw one?</p> <p>3 <b>A. I don't know, no.</b></p> <p>4 Q. Listen to my question.</p> <p>5 You never saw one?</p> <p>6 <b>A. I don't know. I don't recall.</b></p> <p>7 Q. You don't recall ever seeing one?</p> <p>8 <b>A. (Witness shakes head negatively.)</b></p> <p>9 Q. Okay. How about any other agreement between</p> <p>10 HCMLP and Sentinel?</p> <p>11 <b>A. I don't recall.</b></p> <p>12 Q. What percentage of your time would you say was</p> <p>13 spent on Sentinel-related tasks?</p> <p>14 <b>A. During which time period?</b></p> <p>15 Q. Well, I think you said that, from the time you</p> <p>16 started until the time you left, you were working on</p> <p>17 Sentinel ad hoc?</p> <p>18 <b>A. Uh-huh.</b></p> <p>19 Q. So I'm just wondering: How much of your time,</p> <p>20 during that entire time period, would you say you spent on</p> <p>21 Sentinel?</p> <p>22 <b>A. A very small amount.</b></p> <p>23 Q. Okay. And what do you mean by that?</p> <p>24 <b>A. That I would work on Sentinel matters ad hoc, as</b></p> <p>25 <b>needed, but I -- I didn't spend a lot of time related to</b></p>

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225	1 <b>Sentinel.</b> 2 Q. In addition to the CIBC account, do you know 3 whether Sentinel had any other accounts? 4 MS. SMITH: Objection to form. 5 THE WITNESS: From the documentation that 6 you showed me today, it appears there was a Maples's 7 account of some type. 8 BY MR. BURT: 9 Q. Do you know what that was? 10 <b>A. I don't recall.</b> 11 Q. What was Maples? 12 <b>A. Maples is a law firm in Cayman. MaplesFS is</b> 13 <b>Maples Fiduciary Services, which is a fiduciary arm,</b> 14 <b>essentially, in Cayman.</b> 15 Q. Okay. 16 MR. BURT: I think we're on 106. 17 THE STENOGRAPHIC REPORTER: (Nods head.) 18 (Exhibit 106 was marked for identification.) 19 THE WITNESS: Thanks. 20 (Witness reviews document.) 21 BY MR. BURT: 22 Q. Mrs. Irving, when you're ready, my question for 23 you is whether you recognize this document? 24 <b>A. I -- I don't.</b> 25 Q. All right. Looking at the bottom, on page 1 of	227	1 <b>A. Yes.</b> 2 Q. All right. Did Sentinel ever have a BONY 3 account? 4 MS. SMITH: Objection, form. 5 THE WITNESS: I don't know. 6 BY MR. BURT: 7 Q. So do you recall -- the transaction that you're 8 referring to, do you recall what transaction that was? 9 <b>A. Likely it was related to the ATE policy.</b> 10 Q. All right. And so you're providing wiring 11 instructions for cash arising from that transaction. 12 Do you recall the cash that was wired as 13 part of the ATE policy? 14 <b>A. No.</b> 15 Q. But you don't disagree that cash was wired to 16 Sentinel as part of that policy, do you? 17 MS. SMITH: Objection, form. 18 THE WITNESS: It appears so from this 19 e-mail, the document you handed me. 20 BY MR. BURT: 21 Q. To an account name of MaplesFS, Ltd., located at 22 BONY, right? 23 <b>A. Yes.</b> 24 Q. If it related to the ATE policy, that money was 25 coming to Sentinel, wasn't it?
226	1 Exhibit 106, do you see there's an e-mail from you on 2 Friday, August 11th, 2017, to carterchism@ 3 highlandcapital.com, cc'ing Mr. Sevilla. 4 Who is Carter Chism? 5 <b>A. He worked in the settlements group.</b> 6 Q. And here you write: Sentinel wiring instructions 7 for cash arising from transaction are below. Thank you. 8 Beneficiary Bank: Bank of New York Mellon at an address 9 in New York, and it has the ABA number, SWIFT number. And 10 on the back, it says, "Account Name: MaplesFS, Ltd.," 11 with an account number. Reference: Sentinel Reinsurance, 12 Ltd. 13 Do you see that? 14 <b>A. Yes.</b> 15 Q. What was -- what were the wiring instructions 16 here that you were providing? 17 <b>A. Sentinel Reinsurance, Ltd.'s wiring instructions.</b> 18 Q. For its account at Bank of New York Mellon? 19 <b>A. No; for its account at MaplesFS, Ltd. Bank of</b> 20 <b>New York Mellon is a correspondent bank.</b> 21 Q. Well, it says the account name is MaplesFS, Ltd., 22 right? 23 <b>A. Right.</b> 24 Q. And that account was held at Bank of New York 25 Mellon, which I'll refer to as "BONY." Is that fair?	228	1 <b>A. Yes.</b> 2 Q. Because Sentinel was the insurer, providing the 3 ATE -- 4 MS. SMITH: Objection. 5 THE WITNESS: The insurer, yes. 6 BY MR. BURT: 7 Q. Right. That's what I said. 8 <b>A. This is Sentinel's bank account. If the question</b> 9 <b>is whether this is MaplesFS, Ltd., bank account, no.</b> 10 <b>That's how this is structured. BONY is a correspondent</b> 11 <b>bank, which holds an account for MaplesFS, Ltd., who is a</b> 12 <b>fiduciary.</b> 13 <b>The fiduciary then holds the account for</b> 14 <b>Sentinel Reinsurance, Ltd. So that's why you see this</b> 15 <b>last line "Reference: FC" -- "FFC," for further credit,</b> 16 <b>to Sentinel Reinsurance, Ltd., and then the client account</b> 17 <b>number.</b> 18 Q. Got it. 19 And then Mr. Chism, in the e-mail back to 20 you on the same day, he says: Please confirm this serves 21 as instructions to wire cash from all HFP funds and all 22 CDO funds to the account listed in the instruction below. 23 Do you see that? 24 <b>A. I see that. Yes, on this paper, yes, I see that.</b> 25 Q. Is that consistent with your recollection that

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1 all cash from HFP funds and all cash from CDO funds was  
2 wired to Sentinel as part of the ATE transaction in August  
3 of 2017?  
4 MS. SMITH: Objection to form.  
5 THE WITNESS: I don't know. I just provided  
6 the wiring instructions. I don't know that.  
7 BY MR. BURT:  
8 Q. Well, he's asking you if -- he's asking you to  
9 confirm if this serves as the instruction to wire cash  
10 from all of these HFP funds and all of the CDO funds?  
11 MS. SMITH: Objection to form.  
12 THE WITNESS: Looks like there are a lot of  
13 people on this e-mail chain. I didn't respond. I didn't  
14 have authority to -- to say that.  
15 BY MR. BURT:  
16 Q. Mr. Willmore, David Willmore, in the above  
17 e-mail, who it lists as CPA Senior Manager Fund Analysis,  
18 who is he?  
19 A. He is a fund -- I think he is an accountant, a  
20 fund accountant.  
21 Q. Where does he work?  
22 A. HCMLP.  
23 Q. Okay. He says, on the same day: FYI, I've  
24 entered wires to move all of CDO funds cash to Sentinel.  
25 There were two wires: one for 7-million-some-odd money,

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1 and one for 2-million-some-odd, right?  
2 A. I see that here.  
3 Q. And then, at the top, you e-mail -- you remove  
4 everybody else from the chain and just e-mail J.P. Sevilla  
5 and say: I called Willmore, and he advised the other cash  
6 wires are in process, FYI.  
7 What other wires, cash wires, were you  
8 referring to?  
9 A. I don't know.  
10 Q. Why would you have called Will- -- Mr. Willmore  
11 to ask that question?  
12 A. I don't know.  
13 Q. Do you recall asking him that question?  
14 A. No.  
15 Q. Do you recall being involved in -- in providing  
16 these wiring details as part of this transaction in August  
17 of 2017?  
18 MS. SMITH: Objection, form.  
19 THE WITNESS: I can see here that I provided  
20 the wire details. I didn't recall providing them prior to  
21 you showing me this document.  
22 BY MR. BURT:  
23 Q. Did someone ask you to provide the wire details?  
24 MS. SMITH: Objection to form.  
25 THE WITNESS: I don't remember.

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1 BY MR. BURT:  
2 Q. Would you have just done that on your own  
3 initiative?  
4 A. I don't remember.  
5 MR. BURT: Give me one moment, please.  
6 Okay. My apologies.  
7 BY MR. BURT:  
8 Q. You said -- I believe you said that you didn't  
9 have any authority to confirm the wiring of all cash from  
10 the HFP funds and all cash from the CDO funds, right; you  
11 didn't have that authority?  
12 A. Correct.  
13 Q. Who did have that authority?  
14 A. I don't know. That's above my pay grade. I  
15 would note that there are other very, very senior people  
16 here on this e-mail: Thomas Sargent, Cliff Stoops, Frank  
17 Waterhouse. I -- I don't know.  
18 Q. Would they have had that authority?  
19 A. I don't know.  
20 Q. Would Mr. Ellington have had that authority?  
21 A. I don't know.  
22 Q. Okay. As part of the transaction in August, do  
23 you recall whether there were assets, other than cash,  
24 that were transferred?  
25 A. I believe there were assets other than cash, yes.

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1 Q. What were those assets?  
2 A. It was a -- it was an amalgamation of things from  
3 what I recall.  
4 Q. When did you first learn of this transfer?  
5 MS. SMITH: Objection to form.  
6 THE WITNESS: I don't know.  
7 BY MR. BURT:  
8 Q. Was it before August 11th, 2017?  
9 MS. SMITH: Objection to form.  
10 THE WITNESS: I don't know.  
11 BY MR. BURT:  
12 Q. I mean, did you learn of the transaction on the  
13 day of that you were providing the wiring instructions?  
14 A. I don't remember.  
15 Q. Can you give me your best estimate of when you  
16 first learned -- thinking back, when you first learned of  
17 the transaction in the ATE policy at issue?  
18 MS. SMITH: Objection to form.  
19 THE WITNESS: My best guess would be I  
20 learned sometime around the time of the transfer. I was  
21 not involved in any meetings related before that, that I  
22 can remember.  
23 BY MR. BURT:  
24 Q. So you didn't have anything to do -- and I think  
25 you've testified, you didn't do any diligence on this ATE

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<p style="text-align: right;">233</p> <p>1 policy, right?</p> <p>2 <b>A. Correct.</b></p> <p>3 Q. Were there any other considered ATE policies for</p> <p>4 which you did not do diligence?</p> <p>5 MS. SMITH: Objection to form.</p> <p>6 THE WITNESS: I don't know.</p> <p>7 BY MR. BURT:</p> <p>8 Q. Because you've talked about, I think you said</p> <p>9 before, you recall around five or so for which you did do</p> <p>10 diligence potential ATE policies, right?</p> <p>11 <b>A. Yes, I do recall that.</b></p> <p>12 Q. Do you know whether there were any other -- so</p> <p>13 I'm trying to be as precise as I can here.</p> <p>14 So you testified about that, there were five</p> <p>15 or so that you did do diligence on; you did not do</p> <p>16 diligence on this one.</p> <p>17 Were there any other considered ATEs for</p> <p>18 which you did not do diligence?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 THE WITNESS: Possibly, but I can't recall.</p> <p>21 BY MR. BURT:</p> <p>22 Q. All right. What -- what would possibly have been</p> <p>23 one?</p> <p>24 <b>A. A litigation funding matter with a ATE coupled on</b></p> <p>25 <b>it that I wasn't as involved with.</b></p>	<p style="text-align: right;">235</p> <p>1 So I'm going to stop there for a moment.</p> <p>2 Do you know why no ILW policies were issued</p> <p>3 by Sentinel?</p> <p>4 <b>A. Yes.</b></p> <p>5 Q. Why is that?</p> <p>6 <b>A. There was never a case there that made economic</b></p> <p>7 <b>sense for reinsurance.</b></p> <p>8 Q. Okay. So never made financial sense --</p> <p>9 <b>A. Right.</b></p> <p>10 Q. -- for the company?</p> <p>11 Did -- did Sentinel consider issuing those</p> <p>12 policies to third parties, or were they always, in some</p> <p>13 way, related parties?</p> <p>14 <b>A. Third parties.</b></p> <p>15 Q. And those were never issued?</p> <p>16 <b>A. Not to my knowledge.</b></p> <p>17 Q. Then, under A, it states: At the point of</p> <p>18 approval of the current ATE cover, the Licensee</p> <p>19 represented to the Authority that it initially expected to</p> <p>20 write up to ten policies per year at an average premium of</p> <p>21 \$500,000 per policy. As per the Audited financial</p> <p>22 statements for year ended December 31, 2017 ("the</p> <p>23 financial statements"), the Licensee has only written one</p> <p>24 ATE policy at a premium of U.S. 59 million.</p> <p>25 And we'll stop there.</p>
<p style="text-align: right;">234</p> <p>1 Q. Do you recall what that was?</p> <p>2 <b>A. No.</b></p> <p>3 Q. Okay. So you're just speculating that there</p> <p>4 might have been something like that?</p> <p>5 <b>A. Yeah, it's possible. Yeah, I don't know.</b></p> <p>6 Q. Okay. Let's go back to the CIMA letter. I</p> <p>7 believe it's Exhibit 101.</p> <p>8 <b>A. I got it.</b></p> <p>9 Q. Is that 101?</p> <p>10 <b>A. Uh-huh.</b></p> <p>11 Q. All right. And I want to go to page 17 of that</p> <p>12 letter. And at the very bottom of 17, there's "Business</p> <p>13 Plan" in 5.3, and then, 5.3.1, an "Insurance Program"</p> <p>14 heading.</p> <p>15 Do you see that?</p> <p>16 <b>A. Yes.</b></p> <p>17 Q. 5.3.1.1 states: As per the updated business plan</p> <p>18 provided to the Authority for the purpose of the on-site</p> <p>19 inspection, the Licensee was approved to write directors &amp;</p> <p>20 officers liability ("D&amp;O"); Industry Loss Warranty</p> <p>21 Catastrophe Excessive Loss ("ILW"), and ATE coverages.</p> <p>22 Currently, the Licensee issues D&amp;O and ATE policies only.</p> <p>23 The Authority noted the following violations of the</p> <p>24 Licensee's business plan regarding the Licensee's</p> <p>25 insurance programs...</p>	<p style="text-align: right;">236</p> <p>1 Did you know that Sentinel had only written,</p> <p>2 at this time of this letter in 2019, only one ATE policy?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 THE WITNESS: I see it written here.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Right.</p> <p>7 My question is: Did you know that at the</p> <p>8 time?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: I don't know.</p> <p>11 BY MR. BURT:</p> <p>12 Q. You don't know if you knew that?</p> <p>13 <b>A. I don't know.</b></p> <p>14 Q. Did any -- you -- now, you testified you did</p> <p>15 five -- there were about five instances of diligence on</p> <p>16 other ATE policies that you did.</p> <p>17 Isn't it fair to conclude that none of those</p> <p>18 were actually issued?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 THE WITNESS: I'd say, yeah, it's fair to</p> <p>21 conclude that.</p> <p>22 BY MR. BURT:</p> <p>23 Q. Then it states: Those charged with governance</p> <p>24 could not explain how a product line that was initially</p> <p>25 intended to generate circa U.S. 5 million per year from</p>

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237	1 ten policies ended up generating U.S. 59 million from only 2 one policy. 3 Did you know that the issuance of that 4 policy was so incon- -- was inconsistent with the business 5 plan? 6 MS. SMITH: Objection to form. 7 THE WITNESS: No. 8 BY MR. BURT: 9 Q. You didn't know that? 10 <b>A. I don't think so.</b> 11 Q. Had you ever seen the Sentinel business plan? 12 MS. SMITH: Objection to form. 13 THE WITNESS: I don't know. 14 BY MR. BURT: 15 Q. Did you know that it was the plan to issue up to 16 ten ATE policies per year? 17 MS. SMITH: Objection to form. 18 THE WITNESS: I don't know. 19 BY MR. BURT: 20 Q. You don't recall? 21 <b>A. I don't recall.</b> 22 Q. Do you know who would know that? 23 <b>A. Who would know what?</b> 24 Q. Who would know that Sentinel had initially 25 expected to write up to ten policies per year at an	239	1 from this one ATE policy, according to the financial 2 statement, constituted \$59 million of the \$69 million in 3 policies that had been written on behalf of Sentinel. 4 Did you know that? 5 <b>A. I see it here on this document. And you said "69 6 million."</b> 7 Q. Excuse me. 59 million. 8 <b>A. It's 59 million of the 60 million written is what 9 this document says.</b> 10 <b>Q. Right.</b> 11 <b>So from inception of Sentinel to the time of 12 this document in 2019, Sentinel had issued about 13 \$60 million worth of policies, and 59 million of that was 14 from that one ATE policy; isn't that right?</b> 15 MS. SMITH: Objection to form. 16 <b>THE WITNESS: That's what this document is 17 saying.</b> 18 BY MR. BURT: 19 <b>Q. Do you have any reason to dispute that?</b> 20 MS. SMITH: Objection to form. 21 <b>THE WITNESS: No.</b> 22 BY MR. BURT: 23 <b>Q. And then it states: Being 98 percent of business 24 transacted that year. This gives the impression that 25 deliberately misleading information in terms of the number</b>
238	1 average premium of 500,000 per policy? 2 <b>A. Beecher Carlson would be the one that would 3 manage the business plan.</b> 4 Q. They managed the business -- 5 <b>A. Uh-huh.</b> 6 Q. So was it Beecher Carlson who said: Sentinel is 7 going to issue up to ten policies per year at a premium of 8 500,000 per policy? That was a Beecher Carlson decision; 9 is that right? 10 MS. SMITH: Objection to form. 11 THE WITNESS: No, I didn't say it was a 12 Beecher Carlson dec- -- decision; I said they would have 13 known because they managed the business plan. I don't 14 know who would know that -- what you're asking. 15 BY MR. BURT: 16 Q. How about who -- who made the decision at 17 Sentinel that this is what we want to do with ATE policy? 18 Who -- do you know who that would be? 19 <b>A. I don't know.</b> 20 Q. Then it states, at the very end of this page: As 21 per the financial -- turn over -- statements, the ATE 22 cover accounts for U.S. 59 million of the U.S. 60 million 23 written. 24 So what this is saying -- I believe, and 25 correct me if I'm wrong -- that the 59 million received	240	1 and magnitude of expected transactions relating to the ATE 2 coverage was provided to the Authority at the time of 3 approval, only for the single transaction in that line of 4 business to be ballooned 118 times after approval. 5 Were you aware of that, that CIMA had found 6 that problem at Sentinel? 7 MS. SMITH: Objection to form. 8 <b>THE WITNESS: I recall reading the 9 inspection report when it came out; I don't recall, 10 specifically, that point.</b> 11 BY MR. BURT: 12 <b>Q. Do you recall discussing that point with anybody?</b> 13 <b>A. No.</b> 14 <b>Q. Do you know whether that was a concern at 15 Sentinel?</b> 16 MS. SMITH: Objection to form. 17 <b>THE WITNESS: I don't know.</b> 18 BY MR. BURT: 19 <b>Q. Okay. Did it cause you any concern as a CPA -- 20 and as we've seen -- as we've looked at financial 21 documents, you have a keen attention to detail.</b> 22 <b>Did it cause you any concern as a CPA that 23 Sentinel was running its business in this way?</b> 24 <b>A. No.</b> 25 <b>Q. No concern whatsoever?</b>



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241	1 <b>A. I wouldn't be concerned about Sentinel's business</b> 2 <b>with -- with Beecher managing the business plan and</b> 3 <b>communicating with CIMA.</b> 4 Q. So because of Beecher, you didn't have concerns? 5 MS. SMITH: Objection to form. 6 THE WITNESS: I didn't have concerns. 7 BY MR. BURT: 8 Q. None? 9 <b>A. I said I didn't have concerns.</b> 10 Q. Well, I just want -- I want the record to be 11 perfectly clear that, of the 60 million policies issued, 12 59 million of that came from a single transaction, that 13 one ATE, and that there was no other ATE policy ever 14 written, and that caused you no concerns? 15 MS. SMITH: Objection to form. 16 THE WITNESS: No. No. 17 BY MR. BURT: 18 Q. Okay. Great. 19 MR. BURT: Can we take a break? I 20 apologize. I think we've been going about an hour. 21 MS. SMITH: Been going, like, an hour and 22 20. 23 MR. BURT: Oh, so, yeah, we definitely need 24 a break. 25 THE VIDEOGRAPHER: Off the record at 3:20	243	1 Q. And what did you understand his role to be with 2 respect to Sentinel? 3 <b>A. I think he is, like, the primary relationship</b> 4 <b>partner.</b> 5 Q. From Beecher Carlson? 6 <b>A. Yes.</b> 7 Q. Got it. 8 And they're -- they're talking about, in May 9 of -- of 2017 -- or -- excuse me -- strike that. 10 They're talking about an inquiry from CIMA 11 in May of 2015, and he's responding in November of 2015, 12 about proposed changes to the ownership structure of 13 Sentinel. 14 Do you recall that in 2015? 15 <b>A. I -- I don't recall.</b> 16 Q. He says here under No. 1: Formal notification 17 regarding the reason behind the proposed changes to the 18 ownership structure of Sentinel. The ultimate beneficial 19 owners, UBOs, are unable to have day-to-day physical 20 presence in the Cayman Islands. UBOs feel that such 21 presence is crucial to Sentinel, and so they've made it a 22 priority for Sentinel to have a real tangible and physical 23 presence on the island. In that respect, Sentinel's 24 organizational structure was designed to maximize the UBO 25 strong relationships with highly respected business
242	1 p.m. 2 (Brief recess taken.) 3 THE VIDEOGRAPHER: Back on record at 3:44 4 p.m. 5 THE WITNESS: We were on break. 6 (Exhibit 107 was marked for identification.) 7 BY MR. BURT: 8 Q. Mrs. Irving, during the break, I had marked as an 9 exhibit, Exhibit 107, and I've handed that to you. Go 10 ahead and -- actually, just -- I'll, again, direct you to 11 specific pages. It's a long exhibit. 12 So just go ahead and look at the first 13 letter, actually, pages 1 and 2. 14 <b>A. (Witness reviews document.) Okay.</b> 15 Q. All right. Now, this is a letter of Beecher 16 Carlson to CIMA that goes back a few years, November 17th, 17 2015; is that right? 18 <b>A. I see that on the paper, yes.</b> 19 Q. Okay. And before seeing it here today, have you 20 ever seen this letter before? 21 <b>A. Not that I recall.</b> 22 Q. It's written by Mr. Peter Kranz at Beecher 23 Carlson. 24 Did you ever work with Mr. Kranz? 25 <b>A. Yes, I believe I did.</b>	244	1 partners on island in Grand Cayman. 2 Do you recall this, in 2015, developing 3 strong relationships with highly respected business 4 partners in Cayman? 5 MS. SMITH: Objection to form. 6 THE WITNESS: I don't recall specifically. 7 BY MR. BURT: 8 Q. Okay. How about generally, what do you recall 9 about this? 10 <b>A. I don't know.</b> 11 Q. Okay. I actually want to, while we're looking at 12 this, go back to exhibit -- our favorite exhibit -- we've 13 looked at it a lot -- the -- the structure of SAS and 14 Sentinel. I want to focus just for a moment on SAS -- 15 <b>A. Okay.</b> 16 Q. -- in Exhibit 28. 17 And we've noted that there are -- at the top 18 of the -- of the structure there was USP1, 4 USPs, SAS 19 Holdings, S- -- SPV, Ltd., and USP2, right? 20 <b>A. I see that here, uh-huh.</b> 21 Q. And I believe I asked you if you knew who -- who 22 the 4 USPs were, and you said you did not? 23 <b>A. No, I don't -- I don't remember.</b> 24 Q. Okay. So let's look at this document a little 25 bit further.

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245	1 On No. 3 -- and this is Exhibit 107; should 2 be more specific -- on Item 3 in the letter, it says: 3 Identity details of 4 USPs at the top of the ownership 4 structure. Please see the attached -- please see attached 5 the Register of Directors and Officers for Rotunda V, or 6 Roman numeral V, Ltd., which reflects the names of the 7 four individuals each holding a 9.9 ownership interest and 8 the fifth individual holding a 14.3 percent ownership 9 interest. 10 Okay. Do you see where I was reading there? 11 <b>A. Yes. Under No. 3?</b> 12 Q. Yes. 13 <b>A. Uh-huh.</b> 14 Q. And so I want to turn now to -- it's the fourth 15 page in this exhibit with a register of members of 16 Rotunda. 17 <b>A. Yes, I see it.</b> 18 Q. And, here, you see there's column headings, "Name 19 of Member," "Address," "Date of Entry of Member," et 20 cetera, right? 21 <b>A. Yes.</b> 22 Q. And the first entity listed there is Maples 23 Corporate Services, Ltd., no -- no certificate issued; one 24 share acquired. Is that right? 25 <b>A. I see that here.</b>	247	1 BY MR. BURT: 2 Q. The next person listed is Matthew DiOrio; number 3 of shares acquired, 9.9. 4 Were you aware that he was one of the 4 USPs 5 listed in the SAS structure? 6 <b>A. I don't remember. I mean, this is a really long</b> 7 <b>time ago. I don't remember.</b> 8 Q. Did you ever have knowledge that Matt, 9 Mr. DiOrio, was a U.S. person in the ownership structure 10 of SAS? 11 <b>A. I don't know.</b> 12 Q. Next person listed is Brian Mitts. Do you know 13 who that is? 14 <b>A. Yes.</b> 15 Q. Who is Mr. Mitts? 16 <b>A. He works with NexPoint.</b> 17 Q. What does he do with NexPoint? 18 <b>A. I don't know.</b> 19 Q. And can you remind me, please, of the 20 relationship between NexPoint and Sentinel or SAS. 21 MS. SMITH: Objection to form. 22 THE WITNESS: No relationship, to my 23 knowledge. 24 BY MR. BURT: 25 Q. None at all?
246	1 Q. Next -- it lists -- the next person or entity or 2 member listed is Scott Ellington, and the number of shares 3 acquired, it lists as 14.3 percent -- or -- excuse me -- 4 14.3 shares; is that right? 5 <b>A. I see that here.</b> 6 Q. And as we refer back to the first page of this 7 document, under No. 3, you recall that Beecher Carlson is 8 providing information here about who the 4 USPs are; is 9 that right? 10 <b>A. I -- I see it on the document.</b> 11 Q. Right. 12 The next person listed is David Kramer with 13 9.9 shares acquired. Do you see that? 14 <b>A. I see it.</b> 15 Q. Who is David Kramer? 16 <b>A. I don't know.</b> 17 Q. You've never heard that name before? 18 <b>A. I may have heard the name, but I don't know who</b> 19 <b>he is.</b> 20 Q. Do you recall anything at all about him? 21 <b>A. No.</b> 22 Q. Are you aware that he was one of the USPs listed 23 in the SAS structure? 24 MS. SMITH: Objection, form. 25 THE WITNESS: I don't know.	248	1 <b>A. I mean, no relationship to my knowledge. I don't</b> 2 <b>know what you're asking, other than -- I don't know.</b> 3 Q. Yeah. Well, that's what I'm asking, if they are 4 at all affiliated or related in any way. 5 <b>A. No. Not to my knowledge, no.</b> 6 Q. And then the last person issued -- or listed here 7 is Marcia Maslow with 9.9 shares acquired. 8 Do you know who that is? 9 <b>A. Yes.</b> 10 MS. SMITH: Objection to form. 11 BY MR. BURT: 12 Q. Who is that? 13 <b>A. That is Scott Ellington's sister.</b> 14 Q. All right. Were you aware that she was one of 15 the 4 USPs listed in the SAS structure? 16 <b>A. I don't remember.</b> 17 Q. So before sitting here today and seeing this 18 document, did you ever have any knowledge of any of these 19 individual that we just went through, that they were in 20 the SAS ownership structure, aside from Mr. Ellington, who 21 we've talked about before? 22 <b>A. I just don't remember. I mean, this is 2015.</b> 23 <b>I -- I -- I don't remember. Actually, this says</b> 24 <b>January 2014. There's been a lot -- a lot going on since</b> 25 <b>then.</b>

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249	1 Q. Fair enough. 2 The very last page of this -- of this 3 document -- so it has the Bates at the very bottom of -- 4 that ends in 139, if you just go to the very last page. 5 This is a letter dated 13th of November, 6 2015, to CIMA from Christopher Wat- -- Watler and 7 Andrew Dean. 8 Do you see that -- 9 <b>A. Yes.</b> 10 Q. -- who I'm referring to? 11 Who -- who are Christopher Wal- - Watler and 12 Andrew Dean? 13 <b>A. They're independent directors with MaplesFS.</b> 14 Q. Were they independent directors of Sentinel? 15 MS. SMITH: Objection, form. 16 THE WITNESS: I don't know. 17 BY MR. BURT: 18 Q. I believe we saw -- didn't Mr. Dean resign the 19 same day as Mr. Lesley Thompson as a director of Sentinel? 20 Didn't we see that in a previous exhibit? 21 <b>A. I believe you showed me a document, yes.</b> 22 Q. Okay. So Mr. Dean was a -- was, at one point at 23 least, a Sentinel director; is that fair? 24 <b>A. Based on the documentation you showed me, yes.</b> 25 Q. Do you have any independent recollection of that,	251	1 Q. So, here, the letter says: Dear, sir, Sentinel 2 Reinsurance, Ltd., the Company, we have been asked to 3 certify that Scott Ellington and James Dondero are the 4 majority ultimate beneficial owners of the UBOs of the 5 Company. In making this certification, we have reviewed 6 the current register of members of each of the subsidiary 7 companies listed in the attached structure chart, listed 8 as Appendix A. It is our understanding that the UBOs 9 shall continue to exclusively manage all capital 10 contributions. 11 Do you see where I was reading there? 12 <b>A. I see where you were reading, yes.</b> 13 Q. What do you recall about Mr. Dondero and 14 Ellington exclusively managing all capital contributions 15 of Sentinel? 16 MS. SMITH: Objection to form. 17 THE WITNESS: I don't recall. 18 BY MR. BURT: 19 Q. Did you know that they were exclusively managing 20 all capital contributions? 21 MS. SMITH: Objection to form. 22 THE WITNESS: I don't know. 23 BY MR. BURT: 24 Q. Did you ever have a discussion with Mr. Ellington 25 about that?
250	1 that he was a director? 2 <b>A. Not -- no.</b> 3 Q. But you do recall that these were both 4 independent directors of Maples? 5 <b>A. That's what I recall.</b> 6 Q. So let's look at this -- 7 <b>A. Sorry, MaplesFS.</b> 8 Q. MaplesFS. 9 And -- and remind me what the FS stands for. 10 <b>A. Fiduciary Services.</b> 11 Q. All right. 12 And remind me what the relationship between 13 MaplesFS and Sentinel is, if any? 14 <b>A. No relationship. Maples is the law firm, though.</b> 15 <b>So when you say "Maples," it's -- it's counsel. When you</b> 16 <b>say "MaplesFS," it's the fiduciary.</b> 17 Q. Fiduciary to whom? I just want to be clear on 18 that. 19 <b>A. Whoever the client.</b> 20 Q. Was Sentinel a client of Maples? 21 <b>A. Insofar as these were the directors --</b> 22 MS. SMITH: Objection to form. 23 THE WITNESS: Insofar as they were 24 directors, yes. 25 BY MR. BURT:	252	1 <b>A. Not that I recall.</b> 2 Q. How about with Mr. Dondero? 3 <b>A. No.</b> 4 Q. And did you know that Mr. Ellington and Dondero 5 were the majority ultimate beneficial owners of the UBOs 6 of Sentinel? 7 MS. SMITH: Objection, form. 8 THE WITNESS: At what point in time? 9 BY MR. BURT: 10 Q. Well, we're looking here at 2015. Did you know 11 in 2015? 12 <b>A. I don't recall.</b> 13 Q. Did you know at any point in time? 14 MS. SMITH: Objection, form. 15 THE WITNESS: I don't know insofar as the 16 definition here of "ultimate beneficial owners." 17 BY MR. BURT: 18 Q. You don't know what that means? 19 <b>A. Not in this context, no.</b> 20 Q. Okay. And you've heard the term "UBO" before? 21 <b>A. I have heard the term before, yes.</b> 22 Q. And what's your understanding of the term? 23 <b>A. Essentially that everything would roll up to that</b> 24 <b>person, but I don't know if it's -- but I don't know if</b> 25 <b>it's legal, tax. I don't -- I don't know the detail</b>



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253	<p>1 behind it.</p> <p>2 Q. Okay. But this is, again, a letter from Beecher</p> <p>3 Carlson to CIMA representing that Messrs. Ellington and</p> <p>4 Dondero are the UBOs of the company, right?</p> <p>5 A. It appears, yes, that Beecher -- no, this isn't</p> <p>6 from Beecher. This is from --</p> <p>7 Q. Excuse me. You're right.</p> <p>8 A. -- Christopher Watler and Andrew Dean.</p> <p>9 Q. That's right.</p> <p>10 A. And it's not signed in the MaplesFS capacity. I</p> <p>11 don't know -- there's no Exhibit A. I can't see what's</p> <p>12 included there, but it looks like them personally. It's</p> <p>13 not signed by MaplesFS.</p> <p>14 Q. How do you know they were signing -- that they</p> <p>15 were representing MaplesFS here?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 BY MR. BURT:</p> <p>18 Q. Why would MaplesFS be communicating with CIMA</p> <p>19 about the ownership of Sentinel?</p> <p>20 A. Because MaplesFS was the employer of Christopher</p> <p>21 Watler and Andrew Dean.</p> <p>22 Q. The employer? I thought you testified that they</p> <p>23 were independent directors.</p> <p>24 A. Yeah. So MaplesFS can be an independent director</p> <p>25 and -- as a corporate director, or it can employ</p>	255	<p>1 THE VIDEOGRAPHER: Back on record at 3:59</p> <p>2 p.m.</p> <p>3 BY MR. BURT:</p> <p>4 Q. In Exhibit -- I can't remember which exhibit it</p> <p>5 was, but it showed the Sentinel reorganization. It was,</p> <p>6 like, around 103 or 104. That's it, KL_3 --</p> <p>7 MS. McLAUGHLIN: 103.</p> <p>8 BY MR. BURT:</p> <p>9 Q. 103. In Exhibit 103, we saw the -- the</p> <p>10 reorganization of Sentinel, and at the very top, there was</p> <p>11 an entity ITA.</p> <p>12 A. Let me find what you're referencing.</p> <p>13 Q. Yeah.</p> <p>14 A. Hold on.</p> <p>15 Q. Take your time. It's Exhibit 103.</p> <p>16 MS. SMITH: Here you go.</p> <p>17 THE WITNESS: Oh, thanks. Okay.</p> <p>18 Yes, I see "TTA" at the top on this paper.</p> <p>19 BY MR. BURT:</p> <p>20 Q. Right.</p> <p>21 And I believe you testified earlier, and if</p> <p>22 I get this wrong, just let me know, that it was a -- a</p> <p>23 trustee of the SAS Holdings/SPV, Ltd., shares; is that</p> <p>24 right?</p> <p>25 A. Yes. ITA is a Cayman trustee.</p>
254	<p>1 individuals who operate in an individual capacity as</p> <p>2 director -- independent director.</p> <p>3 Q. And to be clear -- I didn't -- sorry. I didn't</p> <p>4 mean to cut you off.</p> <p>5 To be clear, they were the -- the</p> <p>6 independent directors of Sentinel, right?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. All right.</p> <p>9 MR. BURT: Oh, thank you.</p> <p>10 MS. HARTMANN: They are saying the power</p> <p>11 went off.</p> <p>12 MS. SMITH: Can you hear everyone?</p> <p>13 MR. BURT: I guess if people on the Zoom</p> <p>14 can't hear, they'll let us know.</p> <p>15 MS. DANDENEAU: Hey, this is Deb. We can --</p> <p>16 are we off the record? We can -- it's just Katie is</p> <p>17 coming -- maybe we need to readjust the mic. Katie is</p> <p>18 coming in a little bit weaker. We can hear everybody</p> <p>19 else.</p> <p>20 MR. BURT: I think we do need to go off the</p> <p>21 record, because it looks like these are out of power.</p> <p>22 So...</p> <p>23 THE VIDEOGRAPHER: We are off the record at</p> <p>24 3:58 p.m.</p> <p>25 (Brief recess taken.)</p>	256	<p>1 Q. Okay. So ITA is located in the Caymans?</p> <p>2 A. Yes.</p> <p>3 Q. Do you know who -- did ITA have any employees?</p> <p>4 A. I don't know.</p> <p>5 Q. Did you ever work with ITA?</p> <p>6 A. Yes.</p> <p>7 Q. In what capacity?</p> <p>8 A. General, paying trustee fees, things like that.</p> <p>9 Q. Because they were the trustee of SAS</p> <p>10 Holdings/SPV?</p> <p>11 A. Yes.</p> <p>12 Q. Do you know whether ITA ever attended a Sentinel</p> <p>13 board meeting?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 THE WITNESS: I don't know.</p> <p>16 BY MR. BURT:</p> <p>17 Q. Do you know whether ITA ever had any voter-ship</p> <p>18 interest -- voting interest in Sentinel?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 THE WITNESS: It had voting interest in</p> <p>21 Sentinel?</p> <p>22 BY MR. BURT:</p> <p>23 Q. Right. So let me strike that. That wasn't</p> <p>24 precise.</p> <p>25 So they are the trustee of the SAS</p>

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257	<p>1 Holdings/SPV shares, right?</p> <p>2 <b>A. As far as I understand it, yes.</b></p> <p>3 Q. And -- and we know that, from this -- from these</p> <p>4 organization charts that most of the voting interest in</p> <p>5 Sentinel went up to SAS Holdings, the majority of the</p> <p>6 voting interest?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 BY MR. BURT:</p> <p>9 Q. Is that -- is that correct?</p> <p>10 <b>A. That's what the charts have shown, yes.</b></p> <p>11 Q. And do you know how SAS Holdings/SPV exercised</p> <p>12 that voting interest in Sentinel?</p> <p>13 <b>A. I don't.</b></p> <p>14 Q. Do you know whether ITA exercised the voting</p> <p>15 interest on behalf of SAS Holdings and Sentinel?</p> <p>16 <b>A. I don't know.</b></p> <p>17 MR. BURT: I'll mark this, I believe, as</p> <p>18 108.</p> <p>19 (Exhibit 108 was marked for identification.)</p> <p>20 BY MR. BURT:</p> <p>21 Q. And, again, this is a -- a bigger one, so I'll</p> <p>22 just -- I'll direct you to the portions that I have</p> <p>23 questions about, and of course, if you want to review</p> <p>24 other portions for context, please do.</p> <p>25 So showing you what's been marked as</p>	259	<p>1 of the ITA Trust in its role as an indirect shareholder in</p> <p>2 Sentinel Reinsurance, Ltd.</p> <p>3 All right. And we'll stop there. So that's</p> <p>4 the first "Whereas" clause.</p> <p>5 Do you see where I was reading there? You</p> <p>6 see that text that I was reading, Mrs. Irving?</p> <p>7 <b>A. 1.1.1?</b></p> <p>8 Q. No. It was above in the "Whereas" -- the first</p> <p>9 "Whereas" clause.</p> <p>10 <b>A. Oh -- oh, yes, I see where you're reading at.</b></p> <p>11 Q. Yeah.</p> <p>12 Now, were you aware at any time that ITA</p> <p>13 established an advisory board to advise ITA as its -- in</p> <p>14 its role as an indirect shareholder of Sentinel?</p> <p>15 MS. SMITH: Objection, form.</p> <p>16 THE WITNESS: I don't recall.</p> <p>17 BY MR. BURT:</p> <p>18 Q. What knowledge, if any, do you have of there</p> <p>19 being an advisory board to ITA?</p> <p>20 <b>A. I don't know.</b></p> <p>21 Q. Have you ever heard of that before today?</p> <p>22 <b>A. Not that I recall.</b></p> <p>23 Q. Did anyone ever mention to you that: Hey,</p> <p>24 there's -- we have an -- ITA has an advisory board</p> <p>25 advising on Sentinel issues?</p>
258	<p>1 Exhibit 108, at the top, there is an e-mail from -- and</p> <p>2 again, I'll get the name wrong, but Schliselo Dube at CIMA</p> <p>3 to Clayton Price dated March 5th, 2019.</p> <p>4 Do you see that at the top there?</p> <p>5 <b>A. I see it on the paper, yeah.</b></p> <p>6 Q. Yeah.</p> <p>7 And -- and there's four attachments to this</p> <p>8 e-mail listed here, right?</p> <p>9 <b>A. Okay.</b></p> <p>10 Q. And I'll represent to you that we have attached</p> <p>11 the four attachments as part of this exhibit. So all four</p> <p>12 are there.</p> <p>13 And the first thing I want to do is -- is</p> <p>14 look at the -- I believe it's the third attachment. So</p> <p>15 it's -- it has the heading "Resolutions of ITA Global</p> <p>16 Trust, Ltd. (The "Trustee") of the Trust."</p> <p>17 <b>A. Okay. Hold on.</b></p> <p>18 Q. It's -- the Bates ends in 76075.</p> <p>19 <b>A. Okay. Yes, I see it.</b></p> <p>20 Q. All right. And -- so here at the top, it says,</p> <p>21 "Resolutions of ITA Global Trust, Ltd., declared pursuant</p> <p>22 to a Deed dated 17 February 2015." And in the</p> <p>23 "Whereas" -- the first "Whereas" clause, it states: The</p> <p>24 Trustee wishes to establish an Advisory Board to advise</p> <p>25 the Trustee and guide the decision-making of the Trustee</p>	260	<p>1 <b>A. I -- I don't recall.</b></p> <p>2 Q. Do you know whether this advisory board ever</p> <p>3 attended a Sentinel board of directors meeting?</p> <p>4 <b>A. I don't know.</b></p> <p>5 Q. Do you know who was on this advisory board?</p> <p>6 <b>A. No.</b></p> <p>7 Q. All right. Looking down under No. 1 -- well --</p> <p>8 excuse me -- before we get to that, let's look at the</p> <p>9 second "Whereas" clause to be complete: A form of Deed of</p> <p>10 Amendment (the "Deed of Amendment") establishing the</p> <p>11 Advisory Board of the ITA Trust ("the Advisory Board") was</p> <p>12 approved and executed by the Trustee on the 10th of</p> <p>13 August 2017.</p> <p>14 Do you see that under the second "Whereas"</p> <p>15 clause?</p> <p>16 <b>A. I see it.</b></p> <p>17 Q. We'll look at that Deed of Amendment that was</p> <p>18 executed on August 10th in just a moment.</p> <p>19 But before we do, does -- the time frame,</p> <p>20 the beginning of August 2017 in relation to Sentinel, does</p> <p>21 that stand out in any way to you?</p> <p>22 MS. SMITH: Objection, form.</p> <p>23 THE WITNESS: Not that I recall.</p> <p>24 BY MR. BURT:</p> <p>25 Q. Do you recall looking earlier at wire</p>

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261	<p>1 instructions that you ga- -- that you provided for cash</p> <p>2 transfers to Sentinel as part of the AT- -- ATF [sic]</p> <p>3 insurance policy?</p> <p>4 <b>A. I recall looking at wire instructions I provided</b></p> <p>5 <b>on a prior exhibit.</b></p> <p>6 Q. Okay. I just want to make sure that we're clear</p> <p>7 on dates here, which I'm trying -- so it's -- Exhibit 106</p> <p>8 is what we looked at earlier where you had provided the --</p> <p>9 the wiring instructions to Carter Chism.</p> <p>10 <b>A. Yes, I see it.</b></p> <p>11 Q. And the date was August 11th, 2017, right?</p> <p>12 <b>A. Yes, I see it.</b></p> <p>13 Q. And so on August 11th, 2017, it -- it appears</p> <p>14 that there were some funds transferred into Sentinel as</p> <p>15 part of the ATE policy?</p> <p>16 MS. SMITH: Objection, form.</p> <p>17 THE WITNESS: I don't know. I can only just</p> <p>18 see what's on these papers.</p> <p>19 BY MR. BURT:</p> <p>20 Q. Do you have any reason to dispute what is here on</p> <p>21 these papers?</p> <p>22 MS. SMITH: Objection, form.</p> <p>23 THE WITNESS: I don't know.</p> <p>24 BY MR. BURT:</p> <p>25 Q. Okay. Well, the day prior, August 10th, if we</p>	263	<p>1 BY MR. BURT:</p> <p>2 Q. Okay. So this is all new today, as you look at</p> <p>3 this?</p> <p>4 <b>A. I just don't remember this.</b></p> <p>5 Q. If you flip to the next page, page 2 of this</p> <p>6 resolution, I'm -- I'm just actually wondering who -- if</p> <p>7 you can recognize the signature here, "For and on Behalf</p> <p>8 of ITA Global Trust as Trustee."</p> <p>9 Do you know whose -- who might have signed</p> <p>10 that?</p> <p>11 <b>A. No, I don't -- no, I don't recognize this.</b></p> <p>12 Q. It looks like there's two signatures.</p> <p>13 So you don't recognize either of them?</p> <p>14 <b>A. No.</b></p> <p>15 MS. SMITH: Objection, form.</p> <p>16 THE WITNESS: No.</p> <p>17 BY MR. BURT:</p> <p>18 Q. All right. Do you have any independent knowledge</p> <p>19 of who was a -- the trustee of the ITA trust?</p> <p>20 <b>A. No.</b></p> <p>21 Q. Did you ever deal with the trustee of the ITA</p> <p>22 trust?</p> <p>23 <b>A. I don't know who the trustee was, so no.</b></p> <p>24 Q. If we look at the -- the fourth attachment, which</p> <p>25 is the actual -- the actual Deed, Deed of Amendment dated</p>
262	<p>1 can go back to Exhibit 108, the third attachment, the day</p> <p>2 before, that you provided these wire instructions, an</p> <p>3 advisory board was established at ITA to advise ITA in</p> <p>4 respect to Sentinel.</p> <p>5 Do you see that?</p> <p>6 <b>A. I see, yes, here on the paper with that date,</b></p> <p>7 <b>yes.</b></p> <p>8 Q. And then, as -- as we look under No. 1, "Advisory</p> <p>9 Board," it says, 1.1 -- well, first says: The undersigned</p> <p>10 being the Trustee of the ITA Trust hereby resolves as</p> <p>11 follows: 1, Advisory Board, that the Advisory Board be</p> <p>12 and is hereby established in accordance with the Deed of</p> <p>13 Amendment as follows: 1.1.1, the Advisory Board shall</p> <p>14 consist of such number of members all being individuals as</p> <p>15 the Trustee determines from time to time and shall</p> <p>16 initially be two members; namely, Scott B. Ellington and</p> <p>17 James D. Dondero.</p> <p>18 Do you see that?</p> <p>19 <b>A. I see it.</b></p> <p>20 Q. Is this the first time you're learning that</p> <p>21 Mr. Ellington and Mr. Dondero made up the advisory board</p> <p>22 advising ITA as to Sentinel matters?</p> <p>23 <b>A. I don't --</b></p> <p>24 MS. SMITH: Objection to form.</p> <p>25 THE WITNESS: I don't remember any of this.</p>	264	<p>1 10th of August 2017, again the day before you were issuing</p> <p>2 the wire instructions, it states, on page 2 of the Deed,</p> <p>3 that: It is made on the 10th day of August 2017 by ITA</p> <p>4 Global Trust, Ltd., whose principal office is at</p> <p>5 Suite 4210, 2nd Floor, Canella Court, Camana Bay, and then</p> <p>6 gives the P.O. Box in the Grand Cayman.</p> <p>7 Do you recognize that address?</p> <p>8 <b>A. No.</b></p> <p>9 Q. Oh, I did want to come back to -- sorry.</p> <p>10 A little unrelated, I think prior we were</p> <p>11 talking about a Sentinel office in the Caymans. Is it</p> <p>12 correct that Sentinel actually had a physical office in</p> <p>13 the Caymans?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 THE WITNESS: I don't know.</p> <p>16 BY MR. BURT:</p> <p>17 Q. Okay. You don't know whether it did or not?</p> <p>18 <b>A. I don't -- yeah, I don't know.</b></p> <p>19 Q. Did you ever go to the Caymans to do any Sentinel</p> <p>20 business?</p> <p>21 <b>A. I attended meetings of CIMA.</b></p> <p>22 Q. And where were those meetings held?</p> <p>23 <b>A. CIMA's office.</b></p> <p>24 Q. Was there ever any time where you -- where you --</p> <p>25 when you went to an office that was told to you was a</p>

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265	1 Sentinel office? 2 <b>A. I don't recall.</b> 3 Q. All right. So I want to look down under No. 2, 4 Amendment, 2.2 specifically. It says: The following new 5 clause 3.5 shall be inserted following Clause 3.4. Quote 6 3.5: Power to establish an Advisory Board whose members 7 all being individuals shall be appointed by the Trustee. 8 The primary function of the Advisory Board is to advise 9 the Trustee and guide the decision-making of the Trustee 10 in its role as an indirect shareholder in Sentinel 11 Reinsurance, Ltd. 12 So that was language that we had seen in the 13 prior ex- -- prior attachment; is that right? 14 <b>A. Yeah. May I stop you for a second?</b> 15 Q. Sure. 16 THE WITNESS: I don't know if -- Deb, are 17 you there? I don't know if Deb is trying to dial back in 18 or something, but it says "Deb" on my screen. It doesn't 19 match that screen. 20 MR. BURT: Do we need to go off the record 21 for this? 22 MS. MCLAUGHLIN: I think yes, because we 23 have to figure out the sound again. 24 MR. BURT: Okay. Let's go off the record. 25 THE VIDEOGRAPHER: Off the record at 4:11	267	1 And it's signed by Scott Ellington as the recording 2 member. 3 Do you see that? 4 <b>A. I see it.</b> 5 Q. Do you recognize Mr. Ellington's signature? 6 <b>A. Yes.</b> 7 Q. That is his signature? 8 <b>A. Yes.</b> 9 Q. Did you know that he was meeting as part of a 10 Sentinel Advisory Committee in February of 2017 to discuss 11 these issues? 12 MS. SMITH: Objection, form. 13 THE WITNESS: No, I don't know about this. 14 BY MR. BURT: 15 Q. All right. Looking at the second page: "Q2 16 2017. Disc- -- on May 4, 2017, "Discussion re: Audit." 17 Noth- -- no knowledge about that? 18 <b>A. No.</b> 19 Q. Page 3, "Q3 2017. 8/4/2017. Discussion of 20 potential ATE policy and engagement of actuary. 21 Discussions re audit." 22 Did you know about that? 23 <b>A. I don't know about -- No, I don't know about any 24 of these.</b> 25 Q. About none of those?
266	1 p.m. 2 (Brief recess taken.) 3 THE VIDEOGRAPHER: Back on record at 4:15 4 p.m. 5 BY MR. BURT: 6 Q. So, Mrs. Irving, looking at the last page of the 7 Deed of Amendment, I think it's the same two signatures as 8 the authorized signator. And I don't believe you 9 recognize those signatures? 10 <b>A. I don't recognize that.</b> 11 Q. Do you know on the -- the witness here is Shannon 12 Lather. Do you know who that is? 13 <b>A. Nope.</b> 14 Q. I want to look now at the second attachment to 15 this exhibit that begins on -- ends in Bates 76067. And 16 the top says: Sentinel Advisory Committee Discussions. 17 Do you see where I'm -- where I am in the document? 18 <b>A. Yes, where it says: Q1 2017?</b> 19 Q. Exactly. 20 <b>A. Yes.</b> 21 Q. So here, and over the next five or six page, 22 under the heading Sentinel Advisory Committee Discussions, 23 we see a number of entries. The first: "Q1 2017 - 24 2/2/2017. Discussion of potential ATE policy and 25 engagement of actuary. Review of investment returns."	268	1 <b>A. No.</b> 2 Q. So you didn't know that Mr. Ellington and 3 Mr. Dondero were -- were meeting as an advisory committee 4 to discuss these issues? 5 <b>A. No.</b> 6 MS. SMITH: Objection, form. 7 BY MR. BURT: 8 Q. Looking at "Q4 2017," on November 7th, 2017, it 9 says: "Documentation of ATE policy and closing of same." 10 Is that right? 11 <b>A. Sorry. Could you tell me which Bates number 12 you're looking at?</b> 13 Q. Sure. 76070. 14 <b>A. 76070. Okay. Quarter 4, 2017.</b> 15 Q. Correct. The first bullet is: Documentation of 16 ATE policy and closing of same. The second bullet is: 17 "Settlement of transferred investment portfolio." 18 You see that? 19 <b>A. I see it here on this page, yeah.</b> 20 Q. What did you know about Mr. Ellington's 21 involvement with the ATE policy? 22 MS. SMITH: Objection, form. 23 THE WITNESS: I don't know. 24 BY MR. BURT: 25 Q. So separate -- setting this document aside, I'm



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269	1 just asking you a broader question: What did you know, if 2 anything, about Mr. Ellington's involvement with the ATE 3 policy? 4 MS. SMITH: Objection, form. 5 THE WITNESS: I don't know. 6 BY MR. BURT: 7 Q. Did you have no knowledge whether he was involved 8 in it? 9 A. I would be guessing. I -- I don't know. 10 Q. So I -- you know, I'm asking as broadly as I can: 11 Any recollection about Mr. Ellington being involved in any 12 way with the ATE policy? I'm trying to ask that as broad 13 as I can, any recollections that you might have. 14 A. I would assume he would have been involved, but I 15 don't know to what level. 16 Q. And why would you assume that? 17 A. Because he was the head of legal and worked 18 closely with Thomas Surgent who was aware of this 19 transaction, based on prior e-mails. Thomas reported to 20 Scott. 21 Q. Okay. And Mr. Ellington -- is it correct that 22 Mr. Ellington never told you that he was part of an 23 advisory committee dealing with -- meeting and dealing 24 with these issues that we see in this exhibit? 25 MS. SMITH: Objection, form.	271	1 BY MR. BURT: 2 Q. Okay. Well, we'll come back to that. 3 Flipping to the page that ends in 76072, 4 under: Q2 2018, May 4th, 2018, the second bullet there 5 is: Discuss consolidating the banking relationship at 6 CIBC. 7 Were you aware that there were discussions 8 about Sentinel consolidating the banking relationship at 9 CIBC in 2018? 10 A. No. 11 Q. Going to page -- the next page, 76073: Q3 2018, 12 August 1st, 2018, it -- the first bullet is: "Audit 13 completed in July and approved by CIMA." So we've 14 discussed a lot about a 2019 in- -- inspection that CIMA 15 did. 16 Do you know what a 2018 CIMA audit was? 17 A. This says: "Audit completed in July and approved 18 by CIMA." 19 Q. Uh-huh. 20 A. Sentinel Reinsurance, Ltd., would have an 21 independent audit by independent auditors as required 22 under the Cayman regulation, every year. Very normal, 23 very regular, every year there were audited financials as 24 required under -- under the law. 25 Q. And who was -- who provided the audit?
270	1 THE WITNESS: I don't recall. 2 BY MR. BURT: 3 Q. The second bullet is: "Settlement of transferred 4 investment portfolio." 5 Do you know when that refers to? 6 A. It seems to be related to the transaction. I -- 7 I don't know. 8 Q. And is it correct that -- again setting the 9 document aside, is it correct that there was an investment 10 portfolio transferred to Sentinel as part of the 11 transaction? 12 MS. SMITH: Objection to form. 13 THE WITNESS: My sense was it was a bucket 14 of random assets. 15 BY MR. BURT: 16 Q. Okay. From -- from whom? Who were those assets 17 coming from? 18 A. The insured, but I don't recall who the insured 19 is. 20 Q. All right. And do you know which litigation it 21 involved? 22 MS. SMITH: Objection to form. 23 THE WITNESS: No, only -- only because you 24 showed me some documents today. I'd have to go back and 25 look. I don't know.	272	1 A. I don't know. 2 Q. It then states: "Hear- ..." -- the second 3 bullet: "Hearing related to the ATE policy finished with 4 in resolution." 5 What does that refer to, if you know? 6 MS. SMITH: Objection to form. 7 THE WITNESS: I don't know what that means. 8 BY MR. BURT: 9 Q. Then it states: "No change in expectations of 10 the outcome." 11 Any knowledge of that? 12 A. No. I don't know. 13 Q. The final bullet is: "NOOR," N-O-O-R in all 14 caps, "account closure requested." 15 Do you know what the NOOR account was? 16 A. Yes. It was a -- it was either a bank or 17 investment account, some type of asset account. 18 Q. Of Sentinel's? 19 A. I don't know. 20 Q. On the last page of -- of this exhibit -- or this 21 attachment, 76074: "Q4 2018... Portfolio management with 22 respect to the increasing cash on hand required by CIMA 23 for the active ATE policy." 24 Now, do you see where I was reading there? 25 A. I see where you were reading.

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273	<p>1 Q. When -- in your work for Sentinel, did you ever</p> <p>2 have any work dealing with increasing the cash on hand or</p> <p>3 meeting req- -- CIMA cash requirements at Sentinel?</p> <p>4 <b>A. Not that I recall.</b></p> <p>5 Q. And then second bullet is: Updated the actuary</p> <p>6 report for anticipating -- for anticipated the outcome of</p> <p>7 the underlying ATE litigation discussed. Expectation</p> <p>8 largely unchanged.</p> <p>9 Do you see that bullet?</p> <p>10 <b>A. I see it.</b></p> <p>11 Q. And I believe you testified earlier that you --</p> <p>12 you never had anything to do with the actuarial reports</p> <p>13 related to Sentinel; is that right?</p> <p>14 <b>A. That's right. I don't recall anything related to</b></p> <p>15 <b>the actuary reports.</b></p> <p>16 Q. And -- and you don't recall any discussions with</p> <p>17 the actuary?</p> <p>18 <b>A. I don't.</b></p> <p>19 Q. Or reviewing the reports at all?</p> <p>20 <b>A. I don't.</b></p> <p>21 Q. All right. And then the last bullet is:</p> <p>22 "Banking relationship moved to CIBC."</p> <p>23 Were -- do you see that?</p> <p>24 <b>A. I see it.</b></p> <p>25 Q. Were you aware at the time in November of 2018</p>	275	<p>1 more precise. Okay.</p> <p>2 Aside from those accounts, were you aware of</p> <p>3 any other banking accounts that Sentinel -- bank accounts</p> <p>4 that Sentinel might have had?</p> <p>5 <b>A. Only the NOOR account that was referenced in</b></p> <p>6 <b>here.</b></p> <p>7 Q. Oh, so that was related -- that was a Sentinel</p> <p>8 account?</p> <p>9 <b>A. I don't know if it was Sentinel Reinsurance, Ltd.</b></p> <p>10 Q. Okay. Could it have been the other Sentinel</p> <p>11 entity?</p> <p>12 <b>A. It could have, yeah. I don't know.</b></p> <p>13 Q. All right. And what was the purpose of that</p> <p>14 account?</p> <p>15 <b>A. I don't know.</b></p> <p>16 Q. Do you know whether money ever went in and out of</p> <p>17 that account for Sentinel?</p> <p>18 <b>A. I don't know.</b></p> <p>19 MR. BURT: Pardon me. Just give me a moment</p> <p>20 here.</p> <p>21 THE WITNESS: Uh-huh.</p> <p>22 BY MR. BURT:</p> <p>23 Q. Okay. Switching topics a little bit here.</p> <p>24 I want to show you a new exhibit, and this</p> <p>25 has been previously marked in a deposition as Exhibit 57,</p>
274	<p>1 that Sentinel moved its banking relationship to CIBC?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 THE WITNESS: Not that I recall.</p> <p>4 BY MR. BURT:</p> <p>5 Q. Okay. What do you recall about banking --</p> <p>6 Sentinel's banking relationship in 2018?</p> <p>7 <b>A. Nothing. I -- I don't know.</b></p> <p>8 Q. I think we've gone through -- we've listed a</p> <p>9 number of accounts previously in the deposition that</p> <p>10 Sentinel might have had, bank accounts, at CIBC. I think</p> <p>11 we saw a BONY wiring instructions, and I think MaplesFS</p> <p>12 was another account you mentioned.</p> <p>13 Is that right, or am I getting that wrong?</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 THE WITNESS: I don't recall a BONY account.</p> <p>16 BY MR. BURT:</p> <p>17 Q. Okay. Well, we looked at that document for --</p> <p>18 with wiring instructions to a Sentinel BONY account, and I</p> <p>19 think you explained that, actually.</p> <p>20 Do you recall that?</p> <p>21 <b>A. I do. It's -- I would recharacterize what you're</b></p> <p>22 <b>saying. It was a MaplesFS account held at BONY --</b></p> <p>23 Q. Okay.</p> <p>24 <b>A. -- for the benefit of Sentinel.</b></p> <p>25 Q. For the benefit of Sentinel. Thank you for being</p>	276	<p>1 so we don't need to mark this one.</p> <p>2 So starting just on the -- on the first</p> <p>3 page, the e-mail in Exhibit 57, you see it's an e-mail</p> <p>4 from Isaac Leventon to Chris Dunn, dated the 26th of</p> <p>5 October 2017; is that right?</p> <p>6 <b>A. I see that.</b></p> <p>7 Q. And it has attachment, UBS_ATE.PDF; is that</p> <p>8 right?</p> <p>9 <b>A. I see that here.</b></p> <p>10 Q. Do you know what "UBS_ATE" refers to?</p> <p>11 <b>A. No.</b></p> <p>12 Q. All right. Mr. Leventon says -- to Mr. Dunn:</p> <p>13 "Please see attached. Please label all communications</p> <p>14 related to this project as Privileged as all documents are</p> <p>15 being drafted at the request of the Legal Team."</p> <p>16 Were you considered a member of the legal</p> <p>17 team?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 THE WITNESS: Yes. I was on the legal</p> <p>20 team -- well, I don't know how "legal team" is defined</p> <p>21 here, but I worked in the legal department, if that's the</p> <p>22 question you're asking.</p> <p>23 BY MR. BURT:</p> <p>24 Q. And Mr. Leventon here is listed as the assistant</p> <p>25 general counsel, right?</p>

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70 (277 to 280)

277	<p>1     <b>A. I see that here.</b></p> <p>2     Q. Yeah. Who is Chris Dunn?</p> <p>3     <b>A. He worked in either settlements or accounting.</b></p> <p>4     Q. All right. Turning to the next page: Legal</p> <p>5     Liability Insurance Policy. If you want, Mrs. Irving, go</p> <p>6     ahead and take a moment to flip through this, and let me</p> <p>7     know if you recognize this insurance policy.</p> <p>8     <b>A. (Witness complies.)</b></p> <p>9     Q. And signature pages are at the back.</p> <p>10    <b>A. Yes, this is familiar.</b></p> <p>11    Q. Okay. What do you recall about this document?</p> <p>12    <b>A. I just recall seeing it before.</b></p> <p>13    Q. In what context did you see it?</p> <p>14    <b>A. I don't remember.</b></p> <p>15    Q. Did you see it as a member of the legal team?</p> <p>16       MS. SMITH: Objection, form.</p> <p>17       THE WITNESS: No -- I don't know.</p> <p>18    BY MR. BURT:</p> <p>19    Q. Mr. Leventon's e-mail stated that: "All</p> <p>20    documents are being drafted at the request of the Legal</p> <p>21    Team."</p> <p>22       Do you know if the legal team drafted this</p> <p>23    legal liability insurance policy?</p> <p>24    <b>A. I don't know.</b></p> <p>25    Q. You don't know who drafted it?</p>
278	<p>1     <b>A. I don't. I don't recall.</b></p> <p>2     Q. Did you ever see -- so looking, first, at page 16</p> <p>3     of 16 with the Bates that ends in 3071, it's one of the</p> <p>4     signature pages --</p> <p>5     <b>A. Okay.</b></p> <p>6     Q. -- you see it as -- the insurer is listed as</p> <p>7     Sentinel Reinsurance by Andrew Dean, Director, and there's</p> <p>8     a signature there; is that right?</p> <p>9     <b>A. I see that.</b></p> <p>10    Q. Do you recognize Mr. Dean's signature?</p> <p>11    <b>A. I don't.</b></p> <p>12    Q. And then the insureds are listed as: Highland</p> <p>13    CDO Opportunity Master Fund, By: Highland CDO Opportunity</p> <p>14    Fund GP, L.P. -- it's general partner -- By: Highland CD</p> <p>15    Op- -- CDO Opportunity GP, LLC, its general partner; By:</p> <p>16    Highland Capital Management, L.P., its sole member; By:</p> <p>17    Strand Advisors, Inc. its general partner; and then it is</p> <p>18    signed by Mr. Dondero, correct?</p> <p>19    <b>A. I see that here.</b></p> <p>20    Q. With the title of President listed; is that</p> <p>21    right?</p> <p>22    <b>A. In one case, yes.</b></p> <p>23    Q. That's right. With respect to the Highland CDO</p> <p>24    Opportunity Master Fund, L.P., entities; is that right?</p> <p>25    <b>A. Yes, I see that here.</b></p>
279	<p>1     Q. And you -- and do you recognize Mr. Dondero's</p> <p>2     signature?</p> <p>3     <b>A. No, but I haven't seen it a lot.</b></p> <p>4     Q. The next entity below that is: Highland CDO</p> <p>5     Holding Company, signed by James Dondero with a title of</p> <p>6     Director; is that right?</p> <p>7     <b>A. I see it, uh-huh.</b></p> <p>8     Q. And then: Highland Special Opportunities Holdings</p> <p>9     Company, signed by James Dondero as its Director; is that</p> <p>10    right?</p> <p>11    <b>A. I see that on this paper.</b></p> <p>12    Q. Do you recall ever seeing a draft of this</p> <p>13    document before it was signed?</p> <p>14       MS. SMITH: Objection, form.</p> <p>15       THE WITNESS: No.</p> <p>16    BY MR. BURT:</p> <p>17    Q. You don't recall or you did not see one?</p> <p>18    <b>A. I don't recall.</b></p> <p>19    Q. Did you have anything to do with the preparation</p> <p>20    of this document or the obtaining of signatures on this</p> <p>21    document?</p> <p>22    <b>A. Not that I recall.</b></p> <p>23    Q. Do you recall that this is related to the ATE</p> <p>24    policy that we have been discussing today, that Sentinel</p> <p>25    issue?</p>
280	<p>1     <b>A. Yes, it looks like the policy.</b></p> <p>2     Q. And as we saw in the CIMA letter, it was the sole</p> <p>3     ATE policy that Sentinel issued, correct?</p> <p>4       MS. SMITH: Objection, form.</p> <p>5       THE WITNESS: You're asking me to -- to tell</p> <p>6     you what I read earlier on this CIMA report?</p> <p>7     BY MR. BURT:</p> <p>8     Q. I'm asking -- I'm asking you to confirm that it's</p> <p>9     the sole insurance -- ATE insurance policy that Sentinel</p> <p>10    issued, as we saw earlier in the CIMA report?</p> <p>11       MS. SMITH: Objection, form.</p> <p>12       THE WITNESS: I don't know. I only know</p> <p>13    what you put forth here with these documents.</p> <p>14    BY MR. BURT:</p> <p>15    Q. Okay. You don't know if there was any other ATE</p> <p>16    policies?</p> <p>17    <b>A. No, I don't know.</b></p> <p>18    Q. Okay. You recall seeing this legal liability</p> <p>19    insurance policy. Did you ever see any others related to</p> <p>20    an ATE Sentinel policy?</p> <p>21    <b>A. I don't recall.</b></p> <p>22    Q. Looking at page 17 -- well, I think it's a typo</p> <p>23    at the bottom. It's Bates number that ends in 3070.</p> <p>24    <b>A. Okay.</b></p> <p>25    Q. It's the schedule.</p>



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281	<p>1 <b>A. Yes, page 17 of 16.</b></p> <p>2 Q. Yeah. That doesn't make much sense.</p> <p>3 But we're looking at the same page, I</p> <p>4 believe, the schedule page. It lists the insurer as</p> <p>5 Sentinel Reinsurance, and the insured as Highland CDO</p> <p>6 Opportunity Master Fund, L.P., Highland CDO Holding</p> <p>7 Company, and Highland Special Opportunities Holding</p> <p>8 Company, correct?</p> <p>9 <b>A. I see that here.</b></p> <p>10 Q. And the date of commencement of period of the</p> <p>11 insurance is August 1st -- 1st, 2017, right?</p> <p>12 <b>A. I see that here.</b></p> <p>13 Q. Were you aware that this insurance policy</p> <p>14 commenced on August 1st, 2017?</p> <p>15 MS. SMITH: Objection, form.</p> <p>16 THE WITNESS: I don't remember.</p> <p>17 BY MR. BURT:</p> <p>18 Q. And then it lists the Legal Action. And -- the</p> <p>19 Legal Action begins with: UBS Securities, LLC, and UBS AG</p> <p>20 London Branch versus various Highland Entities and Strand</p> <p>21 Advisors; is that right?</p> <p>22 <b>A. I see that listed here, yes.</b></p> <p>23 Q. Yeah. Does that refresh your recollection about</p> <p>24 which legal action this ATE policy was issued for?</p> <p>25 MS. SMITH: Objection, form.</p>	283	<p>1 Q. Okay. And do you recall ever discussing that</p> <p>2 this ATE policy was related to the UBS litigation, with</p> <p>3 anybody at Sentinel or HCMLP?</p> <p>4 MS. SMITH: Objection, form.</p> <p>5 <b>THE WITNESS: Not that I recall.</b></p> <p>6 BY MR. BURT:</p> <p>7 Q. All right. So although you saw this document,</p> <p>8 you don't have any recollection of considering or learning</p> <p>9 what it was for?</p> <p>10 MS. SMITH: Objection, form.</p> <p>11 THE WITNESS: No, not -- no.</p> <p>12 BY MR. BURT:</p> <p>13 Q. Okay. You never asked: Hey, what's -- what's</p> <p>14 this ATE policy? What's this legal action involved with?</p> <p>15 <b>A. I didn't ask about the underlying legal action.</b></p> <p>16 Q. Okay. As part of the diligence you did on other</p> <p>17 A- -- potential ATE policies, you did look at what the</p> <p>18 underlying legal action was, didn't you?</p> <p>19 <b>A. Yes.</b></p> <p>20 Q. But you weren't asked to do that with this one,</p> <p>21 were you?</p> <p>22 MS. SMITH: Objection, form.</p> <p>23 <b>THE WITNESS: I don't recall looking at the</b></p> <p>24 <b>underlying legal action here.</b></p> <p>25 BY MR. BURT:</p>
282	<p>1 THE WITNESS: It says here on the paper.</p> <p>2 I'm reviewing the paper. Yes, I can read what it says</p> <p>3 under Legal Action.</p> <p>4 BY MR. BURT:</p> <p>5 Q. Well, my question is whether that refreshes your</p> <p>6 recollection about this ATE policy?</p> <p>7 MS. SMITH: Objection, form.</p> <p>8 THE WITNESS: No, not really.</p> <p>9 BY MR. BURT:</p> <p>10 Q. It does not?</p> <p>11 <b>A. No. I mean, I can read this here, but I don't</b></p> <p>12 <b>have any other knowledge of it.</b></p> <p>13 Q. Setting aside -- or excuse me. Strike that.</p> <p>14 Do you have any reason to dispute that this</p> <p>15 policy was issued for this particular legal action?</p> <p>16 MS. SMITH: Objection, form.</p> <p>17 THE WITNESS: I don't know. I'm just</p> <p>18 looking at this that you've handed me. I don't know.</p> <p>19 BY MR. BURT:</p> <p>20 Q. So setting this aside for a moment, the -- the</p> <p>21 document, I just want to get your best testimony about</p> <p>22 what you recall about this ATE policy.</p> <p>23 Do you recall it being related to the UBS</p> <p>24 litigation?</p> <p>25 <b>A. No. That's not something I recall.</b></p>	284	<p>1 Q. My question is: You don't -- you were not asked</p> <p>2 to look at the others --</p> <p>3 <b>A. I don't recall being asked to look at it.</b></p> <p>4 Q. All right. Under Limit of Liability it states:</p> <p>5 \$100 million in aggregate.</p> <p>6 Do you see that at the bottom there?</p> <p>7 MS. SMITH: Objection, form.</p> <p>8 THE WITNESS: I see it on this paper, yes.</p> <p>9 BY MR. BURT:</p> <p>10 Q. And the premium is listed as \$25 million, right?</p> <p>11 <b>A. I see that here.</b></p> <p>12 Q. Do those amounts stand out to you? Do you recall</p> <p>13 those amounts as related to this ATE policy?</p> <p>14 <b>A. No.</b></p> <p>15 Q. Do you have any knowledge or any idea,</p> <p>16 Mrs. Irving, whose idea it was to issue this ATE policy?</p> <p>17 <b>A. No.</b></p> <p>18 Q. Do you have any idea of the purpose of the</p> <p>19 policy?</p> <p>20 <b>A. Only insofar it's -- as it's an ATE policy,</b></p> <p>21 <b>after-the-event insurance policy.</b></p> <p>22 Q. Beyond that, what's plain on the -- on the text</p> <p>23 of the insurance policy itself, do you have any knowledge</p> <p>24 of what the purpose of issuing the policy was?</p> <p>25 <b>A. No.</b></p>

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72 (285 to 288)

285	1 Q. Do you know who drafted the policy? 2 <b>A. I don't remember.</b> 3 Q. Do you know whether it came from the legal 4 department at HCMLP? 5 MS. SMITH: Objection, asked and answered. 6 THE WITNESS: I don't know. 7 BY MR. BURT: 8 Q. Do you know who negotiated the policy on behalf 9 of Sentinel? 10 MS. SMITH: Objection, form. 11 THE WITNESS: No, I don't know. 12 BY MR. BURT: 13 Q. How about on behalf of CDO -- Highland CDO 14 Opportunity Master Fund, L.P., do you know who negotiated 15 the policy? 16 <b>A. I don't know who negotiated the policy for any</b> 17 <b>party.</b> 18 Q. Okay. So you wouldn't know whether they were 19 arm's-length transactions or arm's-length negotiations? 20 MS. SMITH: Objection, form. 21 THE WITNESS: I don't know who negotiated 22 this. 23 BY MR. BURT: 24 Q. Okay. I want to show you -- you can set that 25 aside for a moment. I want to now show you another --	287	1 confused. 2 <b>A. Okay.</b> 3 Q. It's getting later in the day. 4 <b>A. Okay.</b> 5 Q. An ATE policy, an after-the-event policy. 6 MS. SMITH: Objection, form. I'm sorry, I 7 didn't follow the question. 8 MR. BURT: I didn't either. So -- 9 THE WITNESS: Good, 'cause I didn't either. 10 BY MR. BURT: 11 Q. You have testified that you did know that there 12 was an ATE policy and certain assets flowed into Sentinel, 13 right, in this deposition? 14 MS. SMITH: Objection, form. 15 THE WITNESS: I was aware of an ATE policy, 16 yes. 17 BY MR. BURT: 18 Q. Did you ever review the Purchase Agreement 19 associated with that policy? 20 <b>A. It seems familiar.</b> 21 Q. All right. So looking here at Exhibit 2, this 22 does seem familiar? 23 <b>A. Yes.</b> 24 Q. All right. When did you see this? 25 <b>A. I don't know.</b>
286	1 this has also been previously marked as -- this is 2 Exhibit 2, actually. 3 <b>A. (Witness reviews document.)</b> 4 Q. Now I'm showing you what's been marked as 5 Exhibit 2, which is a -- which is entitled a Purchase 6 Agreement. 7 Do you see that? 8 <b>A. I see it.</b> 9 Q. It states: This -- This Purchase Agreement (the 10 "Agreement") dated as of August 7, 2017 (the "Effective 11 Date), is entered into by Sentinel Reinsurance, Ltd., the 12 (Purchaser) and each of Highland CDO Opportunity Master 13 Fund, L.P., Highland CDO Holding Company and Highland 14 Special Opportunities Holdings Company (together, 15 "Sellers"). 16 See that? 17 <b>A. I see it.</b> 18 Q. Now, you've testified that you are familiar, not 19 necessarily with the legal action that this ATE policy 20 related to, but with the fact that such an ATE policy 21 was -- ATF -- excuse me -- policy was issued, right? 22 <b>A. What do you mean by "ATF policy"?</b> 23 Q. An after-the-fact insurance policy? 24 <b>A. I've never heard --</b> 25 Q. Excuse me. ATE. I'm getting my numbers	288	1 Q. Was it before or after it was executed? 2 <b>A. I don't know.</b> 3 Q. Did you have anything to do with drafting this 4 document? 5 <b>A. No.</b> 6 Q. Do you know who did? 7 <b>A. No.</b> 8 Q. Do you know whether it came from the legal 9 department? 10 <b>A. I don't know.</b> 11 Q. Did you have anything to do with helping to get 12 these -- this document signed? 13 <b>A. Not that I recall.</b> 14 Q. Looking at -- under the Recitals or underneath 15 Recitals, the first paragraph that begins with No. 1: 16 Payment of Premium, says: Purchaser agrees to accept the 17 assets listed in Schedule A hereto as 100 percent payment 18 of the Premium, including an as yet unpaid or contingent 19 financial proceeds or other benefits related thereto, with 20 the explicit undertaking that if anything of value is 21 received by the Sellers, such cash or other item of value 22 shall be held in trust for the Purchaser and promptly 23 remitted thereto (the "Transferred Interest). Sellers 24 undertake that immediately following signing this 25 Agreement, they will each take all such steps and execute

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289	1 all such documents to vest legal and beneficial ownership 2 free from liens or encumbrances (as hereinafter defined) 3 in all of the Transferred Interest in the Purchaser. 4 You see that? 5 <b>A. Yes, I see that.</b> 6 Q. Were you aware of this Payment of Premium 7 provision in this document? 8 <b>A. Yes.</b> 9 Q. Okay. What do you recall about this? 10 <b>A. That the insured did not have cash to pay an</b> 11 <b>insurance premium, and as such, assets were purchased</b> 12 <b>under this Purchase Agreement, as consideration.</b> 13 Q. How did you learn that the insured did not have 14 cash? 15 <b>A. I don't remember.</b> 16 MS. SMITH: Objection, form. 17 THE WITNESS: I don't remember. 18 BY MR. BURT: 19 Q. But you were aware that the insured didn't have 20 cash to pay the premium? 21 <b>A. I believe so.</b> 22 Q. And who did you understand the insured to be at 23 the time? 24 <b>A. Some fund. I don't remember specifically.</b> 25 Q. Is it the entities we -- we see at the top in the	291	1 <b>A. That it was a listing of assets under the</b> 2 <b>Purchase Agreement.</b> 3 Q. Did you have anything to do with getting these 4 assets transferred to Sentinel? 5 MS. SMITH: Objection, form. 6 THE WITNESS: Yes, but I don't remember 7 specifically. 8 BY MR. BURT: 9 Q. All right. How about generally, what do you 10 recall about getting these assets transferred? 11 <b>A. Generally, I recall providing wiring</b> 12 <b>instructions, and there may have been some other kind of</b> 13 <b>blocking and tackling between connecting the proper people</b> 14 <b>from the Highland side and Maples.</b> 15 Q. Did you do any diligence whatsoever on the assets 16 listed in Schedule A? 17 <b>A. No.</b> 18 Q. Any valuation? 19 <b>A. No.</b> 20 Q. Do you know if such valuation or diligence was 21 conducted? 22 <b>A. No idea.</b> 23 Q. Do you know who would have compiled this list on 24 Schedule A? 25 <b>A. I don't.</b>
290	1 first paragraph? 2 MS. SMITH: Objection, form. 3 BY MR. BURT: 4 Q. The Highland CDO Opportunity Master Fund, the 5 Highland CDO Holding Company, and Highland Special 6 Opportunities Holding Company? 7 <b>A. That's what this paper says.</b> 8 Q. Any reason to dispute that? 9 MS. SMITH: Objection, form. 10 THE WITNESS: I don't know. All the -- all 11 the names blend together, and there are a trillion 12 entities, so I don't know. 13 BY MR. BURT: 14 Q. So in -- in lieu of cash, what did you understand 15 to be provided to -- in payment of the premium? 16 MS. SMITH: Objection, form. 17 THE WITNESS: Assets. 18 BY MR. BURT: 19 Q. Okay. Let's -- looking at -- drawing your 20 attention to Schedule A, which begins on the fifth page of 21 this document -- go ahead and look at that and let me know 22 if you've seen this schedule before. 23 <b>A. (Witness reviews document.) It seems familiar.</b> 24 Q. What, if anything, do you recall about this 25 schedule?	292	1 Q. Were -- so is it correct that you were never 2 asked at any time to review this schedule or provide any 3 input or correction to it? 4 MS. SMITH: Objection, form. 5 THE WITNESS: Not to my recollection, no. 6 BY MR. BURT: 7 Q. Do you know whether this schedule came through 8 the legal department at HCMLP? 9 <b>A. What do you mean by "came through"?</b> 10 Q. Did anybody within the legal department review 11 this schedule? 12 <b>A. I have no idea.</b> 13 Q. Now, Mr. Dondero, if you look at page 3, signs, 14 again on behalf of the seller, all of the selling 15 entities. What do you know, if anything, about his 16 diligence into these assets? 17 MS. SMITH: Objection, form. 18 THE WITNESS: I don't know about 19 Mr. Dondero's diligence. 20 BY MR. BURT: 21 Q. Okay. At Sentinel, do you know if anybody at 22 Sentinel reviewed this schedule prior to agreeing to issue 23 the policy? 24 <b>A. I don't know.</b> 25 Q. Who at Sentinel would have been responsible for

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293	1 reviewing -- for performing diligence on this type of 2 transaction to ensure that these were actual assets -- 3 MS. SMITH: Objection, form. 4 BY MR. BURT: 5 Q. -- of value? 6 A. I don't know. 7 Q. Would the -- would the board have been 8 responsible for that? 9 A. I -- I don't know. 10 Q. How about the beneficial owners, would they have 11 been responsible for that? 12 A. I don't know. 13 MS. SMITH: Objection, form. 14 BY MR. BURT: 15 Q. So regarding the governance at Sentinel and who 16 was responsible to ensuring the bona- -- the bonafides of 17 the transaction, you don't know who at Sentinel would have 18 done that? 19 A. I don't know. 20 Q. But you didn't? 21 MS. SMITH: Objection, form. 22 THE WITNESS: I didn't what? 23 BY MR. BURT: 24 Q. You didn't perform diligence on behalf of 25 Sentinel regarding assets?	295	1 Just a couple of wrap-up questions about that and the 2 Schedule A that's listed there. 3 Were there any assets in this -- listed in 4 this Schedule A that were not successfully transferred to 5 Sentinel? 6 A. I don't know. 7 Q. Who would know that, if anyone? 8 A. I don't know. 9 Q. You don't know who was in charge of making sure 10 these assets were transferred over to Sentinel? 11 A. I don't. 12 Q. Were any of these transferred assets moved from 13 Sentinel after the transfer in 2017? 14 MS. SMITH: Objection, form. 15 THE WITNESS: I recall there being something 16 related to an audit, some type of worthless assets or -- 17 there was some batch of assets, I believe, that were 18 transferred at CIMA or the auditor's direction. I don't 19 remember which. 20 BY MR. BURT: 21 Q. When was that? 22 A. I don't remember. 23 Q. What entity were they transferred to? 24 A. I can't remember the name of the entity. 25 Q. Was it an SAS entity?
294	1 A. I did not. 2 Q. Do you know if Mr. DiOrio did? 3 A. I don't know. 4 Q. All right. 5 (Off-record discussion.) 6 BY MR. BURT: 7 Q. This has been previously marked as deposition 8 Exhibit 55. 9 Again, there's multiple pages here, and 10 Mrs. Irving, I -- I have specific questions that I can 11 draw your attention to, but go ahead and if you would like 12 to take a moment to familiarize yourself, that's fine. 13 A. Okay. (Witness reviews document.) 14 MS. SMITH: I need to take, like, 15 one minute. 16 MR. BURT: Whatever you need. We will go 17 off the record. 18 THE VIDEOGRAPHER: We are off the record at 19 4:46 p.m. 20 (Brief recess taken.) 21 THE VIDEOGRAPHER: We are back on the 22 record. Time is 4:55 p.m. 23 BY MR. BURT: 24 Q. Mrs. Irving, we were just -- I was just pulling 25 the exhibit up again, Exhibit 2, the Purchase Agreement.	296	1 A. Yes. 2 Q. Was it Sebastian Clark? 3 A. Yes. 4 Q. Okay. And what was Sebastian Clark? 5 A. It was -- it was just an empty entity. 6 Q. Was it a shell? 7 MS. SMITH: Objection, form. 8 THE WITNESS: What do you mean by "shell"? 9 BY MR. BURT: 10 Q. Just a -- a shell entity sitting out there with 11 no assets or employees? 12 A. Correct. 13 Q. Okay. Do you know why it existed? 14 A. Yes. 15 Q. And why was that? 16 A. When -- SAS, when you're talking SAS as a brand 17 would have new, or potential new, litigation funding 18 cases, there would often be shell entities that could 19 contract with whoever the new plaintiff would be under NDA 20 or whatever. There would be separate entities for various 21 litigation funding matters. 22 Q. And that's why the shells were set up underneath 23 the SAS structure, for that purpose? 24 A. Yes. 25 Q. Was Sebastian Clark used in that way?

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75 (297 to 300)

297	<p>1 <b>A. It was a shell.</b></p> <p>2 Q. Right.</p> <p>3 But was it used in that way that you just</p> <p>4 described?</p> <p>5 MS. SMITH: Objection, form.</p> <p>6 THE WITNESS: Not that I recall. I don't</p> <p>7 know.</p> <p>8 BY MR. BURT:</p> <p>9 Q. But -- but assets from Sentinel were transferred</p> <p>10 to Sebastian Clark?</p> <p>11 <b>A. From what I recall, yes.</b></p> <p>12 Q. Okay. Was Sebastian Clark set up specifically to</p> <p>13 receive assets from Sentinel?</p> <p>14 <b>A. No.</b></p> <p>15 Q. So it was a shell entity available under the SAS</p> <p>16 structure that was used to receive the worthless assets of</p> <p>17 Sentinel?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 THE WITNESS: It received assets from</p> <p>20 Sentinel, yes.</p> <p>21 BY MR. BURT:</p> <p>22 Q. I thought I heard you say that they were</p> <p>23 worthless or an audit had determined they were worthless;</p> <p>24 is that right?</p> <p>25 <b>A. I believe so, yes.</b></p>	299	<p>1 Q. Okay. And moving up in the chain, drawing your</p> <p>2 attention to the e-mail dated August 10th, 2017, from</p> <p>3 Lesley Thompson right in the middle of the -- of that</p> <p>4 page.</p> <p>5 Do you see that, the Lesley Thompson e-mail</p> <p>6 at 1701? We're on the --</p> <p>7 <b>A. Oh, I see it.</b></p> <p>8 Q. -- the page that ends in Bates 350.</p> <p>9 <b>A. Okay. At the bottom or in the middle?</b></p> <p>10 Q. In the middle --</p> <p>11 <b>A. Okay.</b></p> <p>12 Q. -- there's an e-mail from Lesley --</p> <p>13 <b>A. Oh, yes, I see here. "Dear J.P. and Katie"?</b></p> <p>14 Q. Exactly.</p> <p>15 So, there, Mrs. Thompson says: Dear J.P.</p> <p>16 and Katie, thank you for all the information and</p> <p>17 supporting documentation to the recommendation regarding</p> <p>18 the new ATE policy to be written by Sentinel Reinsurance,</p> <p>19 Ltd.</p> <p>20 You see that?</p> <p>21 <b>A. I see it.</b></p> <p>22 Q. What information and supporting documentation had</p> <p>23 you provided to Mrs. Thompson regarding the new ATE</p> <p>24 policy?</p> <p>25 <b>A. I do not remember.</b></p>
298	<p>1 Q. Okay. What do you know about that audit?</p> <p>2 <b>A. Nothing.</b></p> <p>3 Q. Do you know who performed it?</p> <p>4 <b>A. No.</b></p> <p>5 Q. Any other transfers, aside from the transfer to</p> <p>6 Sebastian Clark, that you're aware of from these assets</p> <p>7 listed in Schedule A to the Purchase Agreement?</p> <p>8 <b>A. Not that I'm aware of.</b></p> <p>9 Q. All right. I think I -- I had given you</p> <p>10 Exhibit 55; is that right?</p> <p>11 <b>A. Yes.</b></p> <p>12 Q. Okay. So let's take a look at Exhibit 55.</p> <p>13 And this is an e-mail chain with attachments</p> <p>14 in the June 2017 time frame moving forward to the</p> <p>15 August 2017 time frame.</p> <p>16 Do you see that in the e-mail chain?</p> <p>17 <b>A. I do.</b></p> <p>18 Q. The first e-mail is on June 6th, 2017, from a Kim</p> <p>19 Willey, or "Willey," @aswlaw.com.</p> <p>20 Do you know who that was?</p> <p>21 <b>A. Nope.</b></p> <p>22 Q. And she sends the e-mail to a</p> <p>23 paulscrivener@solomonharris.com.</p> <p>24 Do you know Mr. Scrivener?</p> <p>25 <b>A. I don't believe so.</b></p>	300	<p>1 Q. Do you recall ever sending her information and</p> <p>2 supporting documentation?</p> <p>3 <b>A. No.</b></p> <p>4 Q. Do you know whether Mr. Sevilla did?</p> <p>5 <b>A. I don't know.</b></p> <p>6 Q. Do you have any reason to disagree that</p> <p>7 Mrs. Thompson somehow received, from either you or</p> <p>8 Mr. Sevilla, information and supporting documentation?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: I don't know if she received</p> <p>11 information. I don't know.</p> <p>12 BY MR. BURT:</p> <p>13 Q. Okay. And then Mrs. Thompson -- you -- so just</p> <p>14 to be clear, you don't recall ever sending information and</p> <p>15 supporting documentation to Mrs. Thompson; is that right?</p> <p>16 <b>A. I -- I don't remember.</b></p> <p>17 Q. So this is August 10th, 2017, the day before you</p> <p>18 issued the -- the wire instructions. And thinking back to</p> <p>19 that time, do you recall any discussions or interactions</p> <p>20 with Mrs. Thompson regarding the new ATE policy?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 THE WITNESS: I didn't issue any wiring</p> <p>23 instructions; I provided them via the prior e-mail chain.</p> <p>24 But do I recall --</p> <p>25 BY MR. BURT:</p>



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301	<p>1 Q. Fair.</p> <p>2 <b>A. -- speaking or giving her -- I don't recall</b></p> <p>3 <b>interactions with her, no.</b></p> <p>4 Q. Okay. Then she -- you don't -- and you don't</p> <p>5 recall receiving this e-mail?</p> <p>6 <b>A. I don't recall this, no.</b></p> <p>7 Q. She states: One final question: Can you please</p> <p>8 confirm that in the event of an adverse loss, which --</p> <p>9 which exceeds the existing assets/equity of the Company,</p> <p>10 the shareholders will inject the necessary capital in</p> <p>11 order for the Company to meet its obligations and maintain</p> <p>12 its solvency.</p> <p>13 Do you recall that question coming from</p> <p>14 Mrs. Thompson, one of the Sentinel directors?</p> <p>15 <b>A. No.</b></p> <p>16 Q. Were you aware that shareholders were being asked</p> <p>17 to inject necessary capital for the Company, Sentinel, to</p> <p>18 meet its obligations?</p> <p>19 MS. SMITH: Objection, form.</p> <p>20 THE WITNESS: Could you repeat what you just</p> <p>21 said, please?</p> <p>22 BY MR. BURT:</p> <p>23 Q. Do you recall that the shareholders of Sentinel</p> <p>24 were being asked to inject necessary capital in order for</p> <p>25 the Company, Sentinel, to meet its obligations and</p>	303	<p>1 shareholders have made a fundamental commitment, both</p> <p>2 fiscally and governance-wise, to Sentinel Reinsurance for</p> <p>3 the long term, including in the situation of an adverse</p> <p>4 loss.</p> <p>5 Do you see that?</p> <p>6 <b>A. I see it.</b></p> <p>7 Q. Do you see that you were cc'd on that e-mail?</p> <p>8 <b>A. Yes.</b></p> <p>9 Q. And were you aware that the shareholders had made</p> <p>10 this fundamental commitment?</p> <p>11 MS. SMITH: Objection, form.</p> <p>12 THE WITNESS: I see it here on the e-mail.</p> <p>13 BY MR. BURT:</p> <p>14 Q. In August -- early August of 2017, what was your</p> <p>15 understanding of who the shareholders were?</p> <p>16 <b>A. I don't remember.</b></p> <p>17 Q. Well, we've gone through all those organization</p> <p>18 charts and looked at all that in detail today.</p> <p>19 <b>A. Yes. I'd have to check the dates on all the org</b></p> <p>20 <b>charts and go back and see this date and then see who the</b></p> <p>21 <b>shareholders were at that point.</b></p> <p>22 Q. So was Sentinel constantly reorganizing its</p> <p>23 ownership and who -- and who owned what?</p> <p>24 <b>A. No.</b></p> <p>25 Q. Okay. And we saw earlier a Beecher Carlson</p>
302	<p>1 maintain its solvency?</p> <p>2 MS. SMITH: Objection, form.</p> <p>3 THE WITNESS: They are not asked to inject</p> <p>4 capital from what I'm reading here.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Right.</p> <p>7 In the event of an adverse loss, which</p> <p>8 exceeds the existing assets/equity of the Company, she is</p> <p>9 asking that you confirm that the shareholders will inject</p> <p>10 the necessary capital in that scenario.</p> <p>11 Did you know that she was asking that?</p> <p>12 <b>A. Did I know she was asking this? I mean, I got</b></p> <p>13 <b>the e-mail where she's asking. I don't recall anything</b></p> <p>14 <b>other than reading this e-mail.</b></p> <p>15 Q. You don't recall any discussions after the fact</p> <p>16 about this e-mail?</p> <p>17 <b>A. I don't.</b></p> <p>18 Q. Did you ever speak with Mr. Sevilla and ask: Who</p> <p>19 are the shareholders? What is she asking this for?</p> <p>20 <b>A. Not that I recall.</b></p> <p>21 Q. Nothing?</p> <p>22 <b>A. Not that I recall.</b></p> <p>23 Q. Don't recall anything?</p> <p>24 <b>A. (Witness shakes head negatively.)</b></p> <p>25 Q. Okay. Mr. Sevilla then responds: Lesley, the</p>	304	<p>1 letter from 2015 listing Mr. Dondero and Ellington as the</p> <p>2 ultimate beneficial owners of Sentinel. Do you recall</p> <p>3 that?</p> <p>4 MS. SMITH: Objection, form.</p> <p>5 THE WITNESS: Yes, I recall that.</p> <p>6 BY MR. BURT:</p> <p>7 Q. And we've seen these organ- -- organization</p> <p>8 charts in 2019 that listed Mr. Dondero and Ellington as</p> <p>9 the USPs owning the majority -- the vast majority of the</p> <p>10 shares of Sentinel.</p> <p>11 Do you recall seeing that and talking about</p> <p>12 that today in your deposition?</p> <p>13 <b>A. I do recall what you're talking about, yes.</b></p> <p>14 Q. So do you have anything to offer that in 2017, at</p> <p>15 the time of the transaction, that Mr. Dondero and</p> <p>16 Ellington were not the shareholders being referred to</p> <p>17 here?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 THE WITNESS: The shareholders would be</p> <p>20 whoever owns at the time, not necessarily -- this doesn't</p> <p>21 say "UBO." This doesn't say "USP." Doesn't say</p> <p>22 "beneficial owner." It said "shareholders." I don't know</p> <p>23 what J.P. was referring to here.</p> <p>24 BY MR. BURT:</p> <p>25 Q. You don't have any idea of how he was using the</p>

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305

1 term "shareholders" of Sentinel here?

2 **A. No.**

3 Q. Was that a term he didn't use usually?

4 MS. SMITH: Objection, form.

5 THE WITNESS: Could you rephrase that for

6 me, please?

7 BY MR. BURT:

8 Q. Is that not a term that he used to describe who

9 owned Sentinel? He didn't use the term "shareholders"?

10 **A. He would have used the term "shareholders," but**

11 **he would be specific around ownership chain.**

12 Q. Okay. Well, here, a director is asking him this

13 question, and he's stating that they've made a

14 fundamental -- the shareholders made a fundamental

15 commitment. Right?

16 **A. I see that on the paper, yeah.**

17 Q. And is it your testimony here under oath that you

18 have no idea who he was referring to when he said

19 "shareholders"?

20 **A. I don't know what J.P. is referring to. I don't**

21 **know what J.P. is drafting this for. You'd have to ask**

22 **him.**

23 Q. Okay. Can you point me to any facts that

24 suggests that it was not Mr. Dondero and Ellington who

25 were shareholders at this time? I'm just -- do you have

306

1 any facts to support that?

2 MS. SMITH: Objection, form.

3 THE WITNESS: Just my belief that those two

4 individuals were not the direct shareholders of --

5 BY MR. BURT:

6 Q. In August of 2017, they were not the direct

7 shareholders?

8 **A. Not directly, no.**

9 Q. Were they the ultimate beneficial owners?

10 MS. SMITH: Objection, form.

11 THE WITNESS: I don't know.

12 BY MR. BURT:

13 Q. Okay. Well, looking at the first page of this

14 document, after Mr. Sevilla's e-mail, Mrs. Thompson says:

15 Thanks, J.P. We will send the signature pages shortly.

16 And then Mrs. Thompson provides -- in the

17 next e-mail, she sends along the signed directors

18 resolution along with the signature pages for the ATE

19 policy and Purchase Agreement.

20 Do you see where I'm reading there?

21 **A. I do.**

22 Q. And then she says: Once the signature pages have

23 been collated, please can you send us a full copy for our

24 records? And you respond: Helen, request JD execution of

25 the attached, please. Thank you.

307

1 You see that at the top?

2 **A. I do.**

3 Q. So "Helen" refers to Helen Kim here?

4 **A. Yes.**

5 Q. So you were sending this e-mail to Helen Kim

6 requesting JD execute the attached; isn't that right?

7 **A. That's what it appears from this document.**

8 Q. Who is Ms. Kim?

9 **A. She is our paralegal.**

10 Q. Okay. And why were you sending this to Ms. Kim?

11 **A. Because she would handle execution, gathering**

12 **signatures, and other paralegal-type duties.**

13 Q. Okay. Now looking at the attachment to this --

14 that begins at page 4 -- you see the first attachment is

15 the Unanimous Written Resolution of the Board of Directors

16 of the Company, of Sentinel Reinsurance, Ltd.?

17 **A. I see that.**

18 Q. And, then, you see on the next pages there are

19 signature pages of Christopher Watler and Andrew Dean

20 dated August 10th, 2017?

21 **A. I see that.**

22 Q. Did you have anything to do with obtaining those

23 signatures?

24 **A. Not that I recall.**

25 Q. Why were you involved in getting Mr. Dondero's

308

1 signature?

2 **A. I believe J.P. was out of the office, and I was**

3 **helping him with anything he needed on this transaction.**

4 Q. And that was on August 10th of 2017, correct?

5 MS. SMITH: Objection, form.

6 BY MR. BURT:

7 Q. Looking at the date of the e-mail.

8 **A. This e-mail is dated August 10th, 2017, and I'm**

9 **asking Helen to please have this executed.**

10 Q. One moment.

11 Okay. I want to show you -- KL\_53 -- a new

12 exhibit. And while she is getting that out, I actually

13 wanted to ask a question about Mr. Surgent. I think

14 you've mentioned his name a couple times, and we've seen

15 him on an e-mail or two today.

16 I think -- and correct me if I'm wrong. But

17 you've testified that Mr. Surgent knew about this

18 transaction, the APA and the ATE policy; is that right?

19 **A. Yes.**

20 Q. And -- and how is it that -- that Mr. Surgent

21 knew about the transaction?

22 **A. I don't know how he knew about it.**

23 Q. Okay. Why is it that you can testify here today

24 that you know that he did know about it?

25 **A. Because I sat outside of his office in a**



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78 (309 to 312)

309	<p>1 <b>trading-desk environment, and he's quite loud.</b></p> <p>2 Q. So it goes back to that, that you -- you</p> <p>3 overheard him talking about this specific insurance</p> <p>4 policy?</p> <p>5 <b>A. Yes.</b></p> <p>6 Q. And you overheard him talking about the APA?</p> <p>7 <b>A. I don't recall that specifically.</b></p> <p>8 Q. Okay. How about the ATE specifically and what it</p> <p>9 was insuring, did you hear him talking about that?</p> <p>10 MS. SMITH: Objection, form.</p> <p>11 THE WITNESS: I don't recall those details.</p> <p>12 BY MR. BURT:</p> <p>13 Q. Okay. Do you re- -- did Mr. Surgent have</p> <p>14 authority to approve the ATE or the APA?</p> <p>15 <b>A. Approve for who?</b></p> <p>16 Q. Well, for any entity. Let's take Sentinel first.</p> <p>17 Would he have had authority on behalf of</p> <p>18 Sentinel?</p> <p>19 <b>A. No.</b></p> <p>20 MS. SMITH: Objection, form.</p> <p>21 BY MR. BURT:</p> <p>22 Q. How about on behalf of the insureds, the CDO</p> <p>23 entities and SOHC?</p> <p>24 <b>A. I don't know the answer to that.</b></p> <p>25 Q. Okay. And he did not sign, on behalf of the</p>	311	<p>1 (Exhibit 109 was marked for identification.)</p> <p>2 THE WITNESS: Could I just add on the last</p> <p>3 question that there are --</p> <p>4 BY MR. BURT:</p> <p>5 Q. Yeah.</p> <p>6 <b>A. -- there are multiple people -- I mean, everyone,</b></p> <p>7 <b>I feel like, was involved in this transaction at Highland.</b></p> <p>8 <b>It was no secret. I mean, he could have been talking to</b></p> <p>9 <b>anybody.</b></p> <p>10 Q. And when you say "everyone," what -- is there,</p> <p>11 like, a group, like legal department, or just, like,</p> <p>12 everybody on the floor was talking about it?</p> <p>13 <b>A. It was fairly general knowledge. So he could</b></p> <p>14 <b>have been speaking with whoever loudly in his office. I</b></p> <p>15 <b>don't know.</b></p> <p>16 Q. Right.</p> <p>17 And -- and when you say it was gen- --</p> <p>18 "fairly general knowledge," you're referring,</p> <p>19 specifically, to Sentinel issuing the ATE policy was</p> <p>20 fairly general knowledge?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 THE WITNESS: The ATE policy in general, I</p> <p>23 feel like, was -- was not a secret at Highland.</p> <p>24 BY MR. BURT:</p> <p>25 Q. Okay. How about the APA and the assets that were</p>
310	<p>1 insureds, any of the documents related to the ATE,</p> <p>2 correct?</p> <p>3 <b>A. I saw -- yes. I saw that his signature was not</b></p> <p>4 <b>included in these documents.</b></p> <p>5 Q. Okay. When -- when you were sitting outside</p> <p>6 overher- -- hearing Mr. Surgent talking about these issues</p> <p>7 loudly, sounds like, did -- do you know who he was talking</p> <p>8 to?</p> <p>9 <b>A. No.</b></p> <p>10 Q. Would he have conversations with Mr. Ellington</p> <p>11 about the ATE that you overheard?</p> <p>12 <b>A. Not that I recall specifically.</b></p> <p>13 Q. Was it with members of the legal team that he was</p> <p>14 having these discussions?</p> <p>15 <b>A. I don't remember.</b></p> <p>16 Q. Okay. So you don't remember who the other party</p> <p>17 on these conversations -- these very loud conversations</p> <p>18 were?</p> <p>19 <b>A. I don't.</b></p> <p>20 Q. All right. Yeah, let's show it.</p> <p>21 So we've looked at this before, but I did</p> <p>22 want to get it in as its own exhibit.</p> <p>23 MR. BURT: I think 109 or 110.</p> <p>24 MS. McLAUGHLIN: 109.</p> <p>25 MR. BURT: 109.</p>	312	<p>1 being transferred, is that something that was pretty</p> <p>2 well-known too?</p> <p>3 <b>A. Yes.</b></p> <p>4 Q. So that was something that HCML- -- HCMLP</p> <p>5 employees were talking about on the floor, and they</p> <p>6 overheard Mr. Surgent talking about it, something that was</p> <p>7 just a normal part of business?</p> <p>8 <b>A. Yes.</b></p> <p>9 Q. Okay. Now, again, I -- I've shown this to you</p> <p>10 before, but now it's its own exhibit, just to tie this up.</p> <p>11 See that this is the Judgment, again, from</p> <p>12 the New York State Court in the UBS litigation against the</p> <p>13 various Highland Entities, where we saw before the</p> <p>14 Judgment had been entered in the amount of just over a</p> <p>15 billion dollars.</p> <p>16 Is that right? You see that?</p> <p>17 MS. SMITH: Objection, form.</p> <p>18 THE WITNESS: Is this a different document</p> <p>19 than before?</p> <p>20 BY MR. BURT:</p> <p>21 Q. It -- it -- before we had looked at it as an</p> <p>22 attachment to another exhibit. This is a standalone -- a</p> <p>23 standalone document, but it's the same document that was</p> <p>24 in the attachment.</p> <p>25 <b>A. Okay.</b></p>

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79 (313 to 316)

313

1 Q. All right. Now, what I'm interested in,  
2 actually, here is -- is, again, dates and timelines.  
3 So, here, we see that the date of this was  
4 February 10th, 2020; is that right?  
5 **A. I see that date here, yes.**  
6 Q. Do you know whether HCMLP ever entered  
7 bankruptcy?  
8 **A. Yes.**  
9 MS. SMITH: Objection, form.  
10 BY MR. BURT:  
11 Q. Which is what brings us together here today.  
12 And when did it enter bankruptcy? No, I'm  
13 not looking for a specific date, but approximately when,  
14 to your knowledge.  
15 **A. I believe it was in October 2019.**  
16 Q. Okay. And so that would have been in relation to  
17 this Judgment about four, or some odd -- about four months  
18 prior to this Judgment, is that accurate, four or  
19 five months?  
20 **A. Sure.**  
21 Q. Now, as part of bankrupt- -- the bankruptcy  
22 proceedings, are you familiar with an independent board  
23 being placed in charge of HCMLP?  
24 **A. Yes.**  
25 Q. Okay. When did that occur, to your recollection?

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1 **A. I really don't remember.**  
2 Q. Did it follow close in time to the filing of  
3 bankruptcy?  
4 MS. SMITH: Objection, form.  
5 THE WITNESS: I really don't remember when  
6 the independent board was put in place.  
7 BY MR. BURT:  
8 Q. If I were to say early January, early 2020, would  
9 that sound about right?  
10 **A. I honestly don't remember.**  
11 Q. Were they put in place prior to you being  
12 terminated by HCMLP?  
13 **A. Yes.**  
14 Q. Okay. And, of course, it was after HCMLP  
15 fired -- filed for bankruptcy; is that fair?  
16 **A. Yes.**  
17 Q. So sometime between October 2019 and  
18 February 2021, the independent board was put in place?  
19 **A. Yes.**  
20 Q. Now, you just said that, you know, discussions of  
21 Sentinel and the ATE policy, that was -- that was being  
22 discussed on the floor, it was common knowledge, right,  
23 normal part of business, pretty much everybody knew about  
24 it? Is that right?  
25 **A. It was -- it was common knowledge, I'd say, yes.**

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1 Q. Did you ever discuss it with the independent  
2 board?  
3 MS. SMITH: Objection, form.  
4 THE WITNESS: No. It was a transaction from  
5 however long ago. No, I did not.  
6 BY MR. BURT:  
7 Q. Okay. Do you know whether these discussions on  
8 the floor at Sentinel continued about -- regarding the ATE  
9 policy and the Asset Purchase Agreement, do you know  
10 whether these discussions continued on the floor and with  
11 Mr. Sargent after the independent board had been put in  
12 place?  
13 **A. I don't know.**  
14 Q. But your testimony here today is that you never  
15 discussed the ATE policy with the independent board?  
16 **A. I did not discuss the ATE policy with the**  
17 **independent board.**  
18 Q. And is there a reason why you didn't discuss it  
19 with the board?  
20 **A. I didn't --**  
21 MS. SMITH: Objection, form.  
22 THE WITNESS: I didn't really discuss  
23 anything with the independent board.  
24 BY MR. BURT:  
25 Q. You had no discussions with the board?

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1 **A. Maybe one one-off meeting with Judge Nelms, but,**  
2 **no, that wasn't part of my day-to-day to discuss anything**  
3 **directly with the independent board.**  
4 Q. I see.  
5 So we get -- looking at this exhibit, we get  
6 the Judgment in February of 2020 relating to the case that  
7 the ATE policy was issued to insure against.  
8 What discussions, if any, occurred at  
9 Highland regarding the ATE policy after the judgment came  
10 down?  
11 MS. SMITH: Objection, form.  
12 THE WITNESS: I don't know.  
13 BY MR. BURT:  
14 Q. Did you have any discussions with anyone about  
15 the policy -- the ATE policy after the judgment came down?  
16 **A. No.**  
17 Q. And there's a billion-dollar judgment that's just  
18 come down against these Highland Entities; there's an ATE  
19 policy to insure, as we saw, up to a hundred million, and  
20 you don't recall any discussions about that after the  
21 judgment comes down?  
22 **A. I don't.**  
23 Q. Did Mr. DiOrio ever dis- -- raise it with you?  
24 MS. SMITH: Objection, form.  
25 THE WITNESS: Not that I recall.

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317	1 BY MR. BURT: 2 Q. Nothing like: Hey, I'm an independent director 3 of Sentinel, and we ought to actually pay on this policy, 4 nothing like that? 5 <b>A. Not that I recall.</b> 6 Q. How about Mr. Ellington? Did you ever discuss it 7 with him? Did he ever ask: Hey, what are we doing about 8 this ATE policy in light of the Judgment? 9 MS. SMITH: Objection, form. 10 THE WITNESS: Not that I recall. 11 BY MR. BURT: 12 Q. Mr. Leventon, no discussions with him either? 13 <b>A. No, not that I recall.</b> 14 Q. So did this ATE policy and the APA go from being 15 widely discussed on the floor to, when the independent 16 board comes in, no one's talking about it anymore? 17 <b>A. No, it --</b> 18 MS. SMITH: Objection, form. 19 THE WITNESS: -- the ATE policy was 20 discussed when I overheard Thomas discussing it related to 21 the timing of this transaction. When this -- at the time 22 of this transaction, I would hear him talking about the 23 transaction. 24 BY MR. BURT: 25 Q. Well, your testimony was broader than that, I	319	1 <b>A. Let me just read this for context, please.</b> 2 Q. Sure. Take your time. 3 <b>A. (Witness reviews document.) Okay.</b> 4 Q. All right. So at the very top, do you see that 5 Mr. Leventon sends this e-mail chain to Mr. DiOrio, cc'ing 6 you and Mr. Sevilla, on June 16th, 2020, right? 7 <b>A. I see that.</b> 8 Q. All right. And is that -- that's after the 9 bankruptcy, right? 10 MS. SMITH: Objection, form. 11 THE WITNESS: June 16th, 2020, is after 12 HCMLP filed for bankruptcy. 13 BY MR. BURT: 14 Q. Okay. And it's after the date of judgment that 15 we looked at in the previous exhibit that was on 16 February 10th, 2020? 17 <b>A. June 16th, 2020, yes, is after the date on this</b> 18 <b>paper, February 10th, 2020.</b> 19 Q. Okay. So in the e-mail directly below from 20 Lawrence Kemp to Isaac Leventon, he states: Hi, Isaac, 21 hope all is well. I'm trying to wrap up the Sentinel Re 22 audit for the year ended December 31, 2019, and I need 23 your help with the following items: Can you give me a 24 brief update on what happened during the year? The 25 actuary has provided the following table with likely
318	1 think. You said that it was fairly common knowledge; it 2 was part of day-to-day business; everybody knew about the 3 ATE policy; it was discussed, the APA. I think that's 4 what you said earlier. 5 <b>A. I sh- -- yes. I should be more clear that at the</b> 6 <b>time of the transaction, at the time these documents were</b> 7 <b>signed, around this time, it was knowledge within the</b> 8 <b>firm.</b> 9 Q. Okay. Did those discussions cease after a 10 certain period of time? 11 MS. SMITH: Objection, form. 12 THE WITNESS: I believe so. 13 BY MR. BURT: 14 Q. And when the judgment comes down, you never hear 15 anyone say: Hey, there's a judgment for a billion 16 dollars; we ought to look at that ATE policy? 17 MS. SMITH: Objection, form. 18 THE WITNESS: I just don't recall. 19 MR. BURT: KL_4. 20 BY MR. BURT: 21 Q. This has been previously marked as Deposition 22 Exhibit 53. 23 Now, I -- actually, there -- there's a 24 number of e-mails, and feel free to look at them, but what 25 I'm interested in is actually just on the first page.	320	1 outcomes of the case. Per their report, you have agreed 2 that these estimates are reasonable. 3 Do you see that? 4 <b>A. I see it on the paper, yes.</b> 5 Q. And, again, I think you said you didn't have 6 anything to do with the actuarial reports or the 7 percentages in those reports, right? 8 <b>A. Not that I recall.</b> 9 Q. Okay. So -- and do you know who Lawrence Kemp 10 is? 11 <b>A. No.</b> 12 Q. All right. So he's asking Mr. Leventon for an 13 update on June 16th, 2020, four months after the judgment 14 was entered, and then Mr. Leventon forwards this to 15 DiOrio, cc'ing you. 16 Do you recall receiving this e-mail chain? 17 <b>A. No.</b> 18 Q. Do you know why he would have sent it to you? 19 MS. SMITH: Objection, form. 20 THE WITNESS: No. 21 BY MR. BURT: 22 Q. Was there ever any discussion that you were a 23 part of with Mr. Leventon regarding the fact that a 24 judgment had been entered in the UBS litigation? 25 <b>A. Not that I recall.</b>

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81 (321 to 324)

321	<p>1 Q. Do you know whether Mr. Leventon ever told the</p> <p>2 actuary that a judgment had been entered triggering the</p> <p>3 ATE policy?</p> <p>4 MS. SMITH: Objection, form.</p> <p>5 THE WITNESS: I don't know what Mr. Leventon</p> <p>6 told the actuary.</p> <p>7 BY MR. BURT:</p> <p>8 Q. Okay. No dis- -- and you had no discussions with</p> <p>9 Mr. DiOrio or Mr. Sevilla either about the fact that a</p> <p>10 judgment had been entered and what -- what the impact of</p> <p>11 that was?</p> <p>12 <b>A. Not that I recall.</b></p> <p>13 Q. So to your knowledge, there were no dis- -- from</p> <p>14 what I'm learning -- and if I'm wrong, just let me know --</p> <p>15 what I'm hearing is that there was no discussion at any</p> <p>16 point, ever, that you were aware of regarding the ATE</p> <p>17 policy after the UBS judgment was entered in February of</p> <p>18 2020?</p> <p>19 MS. SMITH: Objection, form.</p> <p>20 THE WITNESS: I can't say never, ever, ever,</p> <p>21 but I don't recall.</p> <p>22 BY MR. BURT:</p> <p>23 Q. You don't recall any such discussion?</p> <p>24 <b>A. I don't.</b></p> <p>25 Q. And I'm asking you as broadly as I can.</p>	323	<p>1 we're transferring to Sentinel?</p> <p>2 <b>A. No. And this didn't come to us in the litigation</b></p> <p>3 <b>funding capacity. So, no, I didn't really look at the</b></p> <p>4 <b>value here as I would in, say, another ATE policy which</b></p> <p>5 <b>would be coupled with litigation funding.</b></p> <p>6 Q. So how did it come to you, then? What was</p> <p>7 different this time?</p> <p>8 <b>A. I don't remember. I don't know.</b></p> <p>9 Q. Who first told you about it?</p> <p>10 <b>A. I don't know.</b></p> <p>11 Q. So you do know that it came to you in a different</p> <p>12 way than the typical litigation funding ATE policy that</p> <p>13 you would have done, right?</p> <p>14 <b>A. It did, insofar as it didn't come from a Cayman</b></p> <p>15 <b>liquidator or one of the contacts that I was working for</b></p> <p>16 <b>business development purposes, but I don't recall who</b></p> <p>17 <b>specifically told me about this.</b></p> <p>18 Q. Okay. And in addition to -- following up on who</p> <p>19 specifically told you -- so again, more generally -- do</p> <p>20 you have any recollection of -- in general, of who knew</p> <p>21 about this and who brought it to your attention?</p> <p>22 MS. SMITH: Objection, form.</p> <p>23 THE WITNESS: I don't remember who brought</p> <p>24 this to my attention. It was common knowledge, like I</p> <p>25 said before, at the time of the transaction at the firm.</p>
322	<p>1 <b>A. I just don't recall.</b></p> <p>2 Q. One moment, please.</p> <p>3 Do you know -- thinking back to the asset --</p> <p>4 the APA itself, do you know whether any of the</p> <p>5 transferring entities -- so the -- the entities that</p> <p>6 purchased the insurance -- whether they had any assets</p> <p>7 left after transferring the assets listed in Schedule A to</p> <p>8 the APA?</p> <p>9 <b>A. I don't know.</b></p> <p>10 Q. Do you know who might know that?</p> <p>11 <b>A. I don't.</b></p> <p>12 Q. One moment.</p> <p>13 If you could pull up the APA for me, I do</p> <p>14 want to look at Schedule A again.</p> <p>15 <b>A. Can you tell me the exhibit number?</b></p> <p>16 Q. Sure. It's Exhibit 2.</p> <p>17 <b>A. Okay.</b></p> <p>18 Q. Looking at Schedule A, which lists the assets</p> <p>19 that were transferred, did you know at the time the value</p> <p>20 of the assets that were transferred?</p> <p>21 <b>A. No.</b></p> <p>22 MS. SMITH: Objection, form.</p> <p>23 BY MR. BURT:</p> <p>24 Q. Were you ever part of a discussion where it was</p> <p>25 discussed: What is the value that were -- these funds</p>	324	<p>1 The head of compliance knew about it.</p> <p>2 BY MR. BURT:</p> <p>3 Q. Who was --</p> <p>4 <b>A. -- Thomas Surgent.</b></p> <p>5 Q. Thomas Surgent, yep.</p> <p>6 <b>A. Apparently, the other people listed on the</b></p> <p>7 <b>e-mails knew about it: Cliff Stoops, Frank Waterhouse.</b></p> <p>8 <b>There were a lot of people on that e-mail chain.</b></p> <p>9 Q. Right.</p> <p>10 Well, and you were on that e-mail chain too,</p> <p>11 right?</p> <p>12 <b>A. I was on the e-mail chain, yes.</b></p> <p>13 Q. Yeah.</p> <p>14 So you knew about it as well at the time; it</p> <p>15 was common knowledge, as you said?</p> <p>16 <b>A. (Witness nods head affirmatively.)</b></p> <p>17 Q. Do you know whether it was the intent to transfer</p> <p>18 all of the assets -- not just cash, but all of the assets</p> <p>19 out of CDO fund and those other entities in Schedule A?</p> <p>20 MS. SMITH: Objection, form.</p> <p>21 THE WITNESS: Do I know if it was the intent</p> <p>22 to transfer all assets?</p> <p>23 BY MR. BURT:</p> <p>24 Q. Right. To -- to take all of the assets of these</p> <p>25 entities listed in Schedule A and transfer them to</p>

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325	1 Sentinel? 2 <b>A. I don't know.</b> 3 Q. You don't recall that being discussed? 4 <b>A. I don't.</b> 5 Q. Okay. This has been previously marked as 6 Deposition Exhibit 9. 7 MS. SMITH: Jason, give me a little bit more 8 of a scoot here. 9 MR. BURT: Oh, sorry. Oh, no, you're right. 10 Here you go. 11 THE WITNESS: (Witness reviews document.) 12 Okay. 13 BY MR. BURT: 14 Q. What I'm interested in -- this is actually a 15 further -- we've looked at some of these e-mails before, 16 and then there's more e-mails in the chain. 17 And what I'm interested in here is 18 Mr. Stoops's reference to "the list of securities not 19 eligible for DTC settlement and instructions for physical 20 delivery to BNY for all funds." 21 Do you see that at the top e-mail? 22 <b>A. I do.</b> 23 Q. What do you recall about the list of securities 24 not eligible for DTC settlement? 25 <b>A. I remember discussing briefly with the settlement</b>	327	1 seen the -- the wiring instructions that you provided. 2 What did you have to do with securities 3 being transferred? 4 MS. SMITH: Objection, form. 5 THE WITNESS: It looks like I provided an 6 address pursuant -- like, on this e-mail, it looks like I 7 provided an address, but other than that, I really don't 8 remember. 9 BY MR. BURT: 10 Q. Right. 11 And are you referring to the e-mail -- the 12 August 11th e-mail at 2:57 p.m.? 13 <b>A. I am.</b> 14 Q. And that's the address of Lesley Thompson? 15 <b>A. Yes.</b> 16 Q. And is that the address that physical security 17 should be sent to; do you know? 18 <b>A. I don't know.</b> 19 Q. Well, let's look at the e-mail right below that 20 from Clifford Stoops to you and others where he says: All 21 cash has been sent. Working on DTC securities. Still 22 waiting on delivery instructions for physicals from legal. 23 <b>A. So, yes, I'm responding to Cliff's e-mail.</b> 24 Q. Okay. So the physical securities were to be sent 25 to Lesley Thompson at Sentinel Reinsurance, Ltd., c/o
326	1 <b>guys that some assets are on this DTC exchange, which I'm</b> 2 <b>not familiar with --</b> 3 Q. Okay. 4 <b>A. -- really, and some assets were not on that</b> 5 <b>exchange, as far as I'm aware.</b> 6 Q. And when you're referring to "assets," you're 7 referring to assets listed on Schedule A to the APA? 8 MS. SMITH: Objection, form. 9 THE WITNESS: Yes, that's what I'm inferring 10 from this. 11 BY MR. BURT: 12 Q. Okay. And do you recall, without -- you know, 13 I'm not asking for the specific name of the security. 14 Do you recall anything about why certain 15 securities were not eligible for DTC settlement? 16 <b>A. No.</b> 17 Q. Okay. And do you recall that there was also 18 physical delivery of securities to BNY? 19 MS. SMITH: Objection, form. 20 THE WITNESS: I don't recall, but I see it 21 here on this e-mail you handed me. 22 BY MR. BURT: 23 Q. Right. 24 And what -- Mrs. Irving, what did you have 25 to do with the securities that were transferred? We've	328	1 MaplesFS, 4th Floor, Boundary Hall, Cricket Square, again 2 Grand Cayman, Cayman Islands? 3 <b>A. I see that here.</b> 4 Q. And so that's the address you provided. 5 Do you know whether she received them? 6 <b>A. I don't know.</b> 7 (Off-record discussion.) 8 BY MR. BURT: 9 Q. All right. This has been previously marked as 10 Deposition Exhibit 14, another e-mail chain on August 10th 11 and 11th of 2017. 12 <b>A. (Witness reviews document.) Okay.</b> 13 Q. All right. Now, this begins, it appears, with a 14 missed call from -- that you missed from Carter Chism on 15 August 10th, 2017. 16 You see that at the bottom? 17 <b>A. Yes, I do.</b> 18 Q. And then you e-mail him on August 10th: Hey, 19 Carter, transaction should close shortly. Do you have 20 everything you need in order to push the button on 21 securities transfer, please? 22 Do you recall this e-mail to Mr. Chism? 23 <b>A. No.</b> 24 Q. Do you recall working with Mr. Chism on the 25 transfer of the Schedule A assets?

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329	<p>1 <b>A. Yes.</b></p> <p>2 Q. And what did Mr. Chism do?</p> <p>3 <b>A. He was the settlements op's guy.</b></p> <p>4 Q. Did he deal with both securities and cash?</p> <p>5 <b>A. I don't know.</b></p> <p>6 Q. All right. And then, the next e-mail up, you --</p> <p>7 you state, again on August 10th: Hi, Carter, docs are</p> <p>8 being counter-executed as we speak. We should be good to</p> <p>9 go in relation to trade. Please get it rolling, and let</p> <p>10 me know if you need anything from our side. Thank you.</p> <p>11 You see that?</p> <p>12 <b>A. I see it.</b></p> <p>13 Q. And you cc'd Mr. Sevilla on this, right?</p> <p>14 <b>A. Yes.</b></p> <p>15 Q. Were you and Mr. Sevilla overseeing the</p> <p>16 counter-execution of the APA and the ATE at this time?</p> <p>17 MS. SMITH: Objection to form.</p> <p>18 THE WITNESS: I don't remember.</p> <p>19 BY MR. BURT:</p> <p>20 Q. All right. Were you overseeing the -- the</p> <p>21 transfer of the assets listed in Schedule A?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 THE WITNESS: No, we were not overseeing</p> <p>24 that.</p> <p>25 BY MR. BURT:</p>	331	<p>1 this has been previously marked as Exhibit 81.</p> <p>2 (Exhibit 110 was marked for identification.)</p> <p>3 THE WITNESS: Thanks.</p> <p>4 (Witness reviews document.)</p> <p>5 Is this the attachment to this e-mail just</p> <p>6 in color?</p> <p>7 BY MR. BURT:</p> <p>8 Q. Exactly.</p> <p>9 <b>A. Okay.</b></p> <p>10 Q. That's correct. Exhibit 81 is just the color</p> <p>11 attachment to Exhibit 110.</p> <p>12 <b>A. Okay.</b></p> <p>13 Q. Do you recall following up with Mrs. Thompson</p> <p>14 about the receipt of securities following -- the days</p> <p>15 following the transaction?</p> <p>16 <b>A. I don't recall, but I see it in this e-mail</b></p> <p>17 <b>chain.</b></p> <p>18 Q. Right.</p> <p>19 Do you recall her sending you a Schedule A</p> <p>20 marked in orange and green to signify certain securities</p> <p>21 that have been -- that had been received?</p> <p>22 <b>A. I don't recall, but I see it -- see this document</b></p> <p>23 <b>you handed me, which has orange and green.</b></p> <p>24 Q. Okay. So looking at that document, Exhibit 81,</p> <p>25 prior to sitting here today looking at it, do you recall,</p>
330	<p>1 Q. Okay. But you were dealing with it?</p> <p>2 <b>A. Sure.</b></p> <p>3 Q. Yeah. So I'm just trying to understand what,</p> <p>4 exactly, was your involvement on August 10th and 11th with</p> <p>5 respect to the transfer of the securities. You've pro- --</p> <p>6 we've seen you providing instructions and addresses.</p> <p>7 Anything else that you did with respect to</p> <p>8 those transactions?</p> <p>9 <b>A. I don't believe I provided any instructions, but</b></p> <p>10 <b>let me know if you're referencing something specific.</b></p> <p>11 Q. The wiring instructions --</p> <p>12 <b>A. Yes, I did --</b></p> <p>13 Q. -- for cash.</p> <p>14 <b>A. I did send wiring instructions, and I did send</b></p> <p>15 <b>the address -- physical address of the director at</b></p> <p>16 <b>MaplesFS.</b></p> <p>17 Q. But you had no say in what assets were being</p> <p>18 transferred or how they were to be transferred --</p> <p>19 <b>A. No.</b></p> <p>20 Q. -- anything like that?</p> <p>21 <b>A. No.</b></p> <p>22 Q. Okay. Just one final -- well, it's two</p> <p>23 documents, but one quick line of questioning to just wrap</p> <p>24 this up about the transfer itself.</p> <p>25 So we'll mark this as Exhibit 110, and then</p>	332	<p>1 at any time, reviewing this document that Mrs. Thompson</p> <p>2 provided to you?</p> <p>3 MS. SMITH: Objection, form.</p> <p>4 THE WITNESS: I don't really recall.</p> <p>5 BY MR. BURT:</p> <p>6 Q. Who tasked you with following up to ensure that</p> <p>7 all assets were transferred and received by Sentinel?</p> <p>8 MS. SMITH: Objection, form.</p> <p>9 THE WITNESS: Could you break that question</p> <p>10 apart for me, please?</p> <p>11 BY MR. BURT:</p> <p>12 Q. Sure. I'm just trying to understand why you were</p> <p>13 doing this.</p> <p>14 Did somebody ask you to follow up and ensure</p> <p>15 that all transfers of the assets listed in Schedule A had</p> <p>16 been received by Sentinel?</p> <p>17 MS. SMITH: Objection, form.</p> <p>18 THE WITNESS: I don't remember.</p> <p>19 BY MR. BURT:</p> <p>20 Q. So you don't know why you were doing -- you were</p> <p>21 e-mailing with Mrs. Thompson about this and receiving</p> <p>22 highlighted copies of Schedule A?</p> <p>23 <b>A. I don't remember who asked me to work on this.</b></p> <p>24 Q. So, just in general, what do you recall about</p> <p>25 this -- this work in following up with Mrs. Thompson on</p>

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333	<p>1 these assets?</p> <p>2 <b>A. I was acting kind of as a point person between</b></p> <p>3 <b>Lesley Thompson and whatever else she needed related to</b></p> <p>4 <b>this -- a liaison, if you will -- with the Highland team.</b></p> <p>5 Q. Okay. So you were sort of in the middle between</p> <p>6 Mrs. Thompson and the Highland team to ensure that she was</p> <p>7 getting what she needed?</p> <p>8 <b>A. I mean, as to these, kind of, administerial</b></p> <p>9 <b>requests, yes.</b></p> <p>10 Q. Okay. And did -- and you don't recall whether</p> <p>11 someone on the Highland team asked you to do that?</p> <p>12 MS. SMITH: Objection, form.</p> <p>13 THE WITNESS: I don't remember.</p> <p>14 BY MR. BURT:</p> <p>15 Q. Do you recall at any time in -- as these assets</p> <p>16 are being transferred looking at the value of the assets</p> <p>17 to ensure that the right amount had been transferred?</p> <p>18 <b>A. No, I don't remember that.</b></p> <p>19 Q. Do you have any knowledge of any valuation that</p> <p>20 was done of these assets after they were transferred?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 THE WITNESS: Not that I recall.</p> <p>23 BY MR. BURT:</p> <p>24 Q. So you don't recall that there was any valuation</p> <p>25 of the assets, or you just don't recall whether it</p>	335	<p>1 Deposition 48 -- Exhibit 48.</p> <p>2 And, again, I -- I want to just draw your</p> <p>3 attention to a couple of these slides. If you need to</p> <p>4 review context, that's fine.</p> <p>5 But you'll see it's a -- it's a slide deck,</p> <p>6 "Settlement Analysis, UBS vs.," and then it has an "H"</p> <p>7 within a shield.</p> <p>8 Is that the Highland symbol, HCMLP symbol?</p> <p>9 <b>A. I don't know.</b></p> <p>10 Q. All right. Have you ever seen this deck before?</p> <p>11 <b>A. Let me review it. But upon first blush, it's not</b></p> <p>12 <b>familiar to me.</b></p> <p>13 Q. Okay.</p> <p>14 <b>A. (Witness reviews document.)</b></p> <p>15 <b>This is not familiar to me.</b></p> <p>16 Q. Okay. So I just want to look at a -- a couple of</p> <p>17 slides since it's not familiar and just ask you one or two</p> <p>18 questions.</p> <p>19 <b>A. Okay.</b></p> <p>20 Q. And it's a little tricky the way this was</p> <p>21 printed, but Slide 8 is -- has the title "UBS Settlement:</p> <p>22 Structure Summary."</p> <p>23 <b>A. Okay.</b></p> <p>24 Q. And Step 1 says: HFP/CDO Fund buy \$90 million AP</p> <p>25 -- ATE policy from Sentinel.</p>
334	<p>1 happened?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 THE WITNESS: Yeah. Could you repeat that,</p> <p>4 please?</p> <p>5 BY MR. BURT:</p> <p>6 Q. I'm trying to understand if -- if you don't</p> <p>7 recall whether there was any valuation ever done? You</p> <p>8 just don't remember; is that your testimony?</p> <p>9 <b>A. I don't remember asset valuation on these assets.</b></p> <p>10 Q. I see. Okay.</p> <p>11 So on -- at either Highland or Sentinel, you</p> <p>12 don't recall?</p> <p>13 <b>A. I -- I don't.</b></p> <p>14 Q. Okay. Was there a team at Highland or Sentinel</p> <p>15 who -- who usually did this -- an asset valuation?</p> <p>16 MS. SMITH: Objection, form.</p> <p>17 THE WITNESS: I don't know.</p> <p>18 BY MR. BURT:</p> <p>19 Q. Was that with -- did legal -- was legal ever</p> <p>20 tasked with valuing assets in a -- in an APA -- in any</p> <p>21 APAs, anything like that?</p> <p>22 <b>A. I don't know.</b></p> <p>23 Q. Was that work that you ever did?</p> <p>24 <b>A. Not that I recall.</b></p> <p>25 Q. All right. This has been previously marked as</p>	336	<p>1 Does that \$90 million figure ring any bells</p> <p>2 with you?</p> <p>3 <b>A. No.</b></p> <p>4 Q. Then it states: ATE premium equals all assets in</p> <p>5 HFP/CDO Fund.</p> <p>6 Do you see that?</p> <p>7 <b>A. I see it.</b></p> <p>8 Q. And were you familiar with the fact that the AT-</p> <p>9 -- ATE premium was to consist of all assets of HFP and CDO</p> <p>10 Fund?</p> <p>11 MS. SMITH: Objection, form.</p> <p>12 THE WITNESS: No, I was not familiar with</p> <p>13 that.</p> <p>14 BY MR. BURT:</p> <p>15 Q. Do you know who would have been familiar with</p> <p>16 that?</p> <p>17 <b>A. No.</b></p> <p>18 Q. All right. Now going back, actually, to Slide 6,</p> <p>19 it's if -- the title is "If Highland settles..."</p> <p>20 Do you see that?</p> <p>21 <b>A. I see it.</b></p> <p>22 Q. And No. 1 says: Sentinel controls HFP/CDO Fund</p> <p>23 assets, currently \$94 million.</p> <p>24 Do you see that?</p> <p>25 <b>A. I see it written here, yeah.</b></p>



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1 Q. Do you know how that figure, \$94 million, was  
2 arrived at?  
3 MS. SMITH: Objection to form.  
4 THE WITNESS: No idea.  
5 BY MR. BURT:  
6 Q. Number 2 says: Sentinel and HCMLP can use  
7 HFP/CDO Fund assets to generate cash to pay UBS  
8 settlement, Citi, and outstanding legal fees.  
9 Do you see that?  
10 **A. I see it.**  
11 Q. Do you know why it would -- it states here that  
12 Sentinel and HCMLP can use the HFP/CDO Fund assets to  
13 generate the cash to pay a settlement?  
14 **A. No idea.**  
15 Q. All right. Then, on Slide 10, just -- one final  
16 slide, the title is "UBS Settlement: Step 1 - ATE  
17 Policy," and says, "Actor: Scott's Team."  
18 Did you know any Scotts at Highland -- at  
19 HCMLP?  
20 **A. Yes.**  
21 Q. And who was that?  
22 **A. My direct report, Scott Ellington.**  
23 Q. Okay. So the "Actor" here was Scott's team,  
24 Mr. Ellington, and it states -- I'm looking at the text  
25 that's over the arrows -- HFP/CDO Fund send all their

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1 assets (\$94m) as ATE premium to Sentinel. In exchange,  
2 Sentinel writes a \$90 million ATE policy for UBS  
3 liability.  
4 Do you see that?  
5 **A. I see it.**  
6 Q. Were you involved, in any way, with the  
7 discussions, as a member of Scott's team, that was  
8 determining this strategy?  
9 MS. SMITH: Objection to form.  
10 THE WITNESS: Not that I recall.  
11 BY MR. BURT:  
12 Q. How about the fact that HFP/CDO fund would send  
13 all their assets? Do you recall that ever having been  
14 discussed in Scott's team?  
15 **A. I don't.**  
16 MS. SMITH: Objection to form.  
17 BY MR. BURT:  
18 Q. And then, on the very last page of this deck,  
19 there's a listing of HFP entities and CDO Fund entities  
20 and various assets which they held.  
21 **A. Sorry. Which page are you on?**  
22 Q. The very last page of the deck.  
23 **A. Okay.**  
24 Q. Yeah.  
25 MS. SMITH: 5321?

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1 MR. BURT: That's right, yep.  
2 BY MR. BURT:  
3 Q. Do you see that?  
4 **A. I see it.**  
5 Q. And total assets listed there is 94,057,547.  
6 Do you see that listed in -- it's in black  
7 there.  
8 **A. I see it on this page, yes.**  
9 Q. All right. You had no knowledge at the time that  
10 the asset -- the total assets were -- was being valued by  
11 Scott's team at \$94 million of these entities?  
12 MS. SMITH: Objection, form.  
13 THE WITNESS: I don't know who valued these.  
14 I don't know.  
15 BY MR. BURT:  
16 Q. You were never involved in such a valuation?  
17 **A. No.**  
18 Q. And, again, as -- as a member of Scott's team,  
19 was there any member of Scott's team, that you were aware  
20 of, who would have been involved in such a valuation?  
21 MS. SMITH: Objection, form.  
22 THE WITNESS: I don't know.  
23 BY MR. BURT:  
24 Q. At any time, did members of Scott's team perform  
25 these types of valuations of assets held by various HCMLP

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1 entities?  
2 MS. SMITH: Objection, form.  
3 THE WITNESS: Could you repeat that?  
4 BY MR. BURT:  
5 Q. Yeah.  
6 So setting this aside, I'm just wondering:  
7 In general, was it a task of Scott's team at any time to  
8 value the assets of an HCMLP entity or entities?  
9 MS. SMITH: Objection, form.  
10 THE WITNESS: Not that I recall.  
11 BY MR. BURT:  
12 Q. That was -- that would have been different teams  
13 at HCMLP that would have done that?  
14 **A. HCMLP had a dedicated valuation team.**  
15 Q. Who was on that team?  
16 **A. I can't remember.**  
17 Q. But that was independent of Scott's team?  
18 **A. It was -- it was a -- not legal team; it was a**  
19 **valuation team separate from the legal team.**  
20 Q. Okay. Did you ever have anything to do with a  
21 tax analysis of -- of the ATE policy?  
22 MS. SMITH: Objection, form.  
23 THE WITNESS: I remember some discussion  
24 with counsel around -- I remember some discussion with  
25 counsel around the in -- income or something like that,

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86 (341 to 344)

341	<p>1 the ongoing -- any ongoing income from the assets and</p> <p>2 whether it would be taxable.</p> <p>3 BY MR. BURT:</p> <p>4 Q. To Sentinel?</p> <p>5 <b>A. Yes.</b></p> <p>6 Q. And what outside counsel are you referring to?</p> <p>7 <b>A. Steve Beck.</b></p> <p>8 Q. Where was he at?</p> <p>9 <b>A. Meadows Collier.</b></p> <p>10 Q. Was that -- remind me, was that a Cayman's entity</p> <p>11 or a U.S. entity?</p> <p>12 <b>A. No. He's out of Dallas.</b></p> <p>13 Q. Out of Dallas, okay.</p> <p>14 So -- and he was outside counsel to Highland</p> <p>15 -- to HCMLP?</p> <p>16 <b>A. No. He was outside counsel -- we talked about</b></p> <p>17 <b>this earlier at length. He was outside counsel to various</b></p> <p>18 <b>entities. I don't recall where the engagement letter</b></p> <p>19 <b>sat --</b></p> <p>20 Q. Right.</p> <p>21 <b>A. -- but he provided guidance around the</b></p> <p>22 <b>Sentinel -- and taxes.</b></p> <p>23 <b>[Simultaneously speaking.]</b></p> <p>24 BY MR. BURT:</p> <p>25 Q. Excuse me.</p>	343	<p>1 <b>A. No.</b></p> <p>2 Q. Okay. You see it's a memorandum from Shawn Raver</p> <p>3 to Tax Files on Highland Capital letterhead dated</p> <p>4 June 30th, 2018. RE: Tax Consequences of Sentinel</p> <p>5 Acquisition of HFP CDO Opportunity Assets.</p> <p>6 Right?</p> <p>7 <b>A. I see that on this paper.</b></p> <p>8 Q. Now, one question, looking at page 2 of this memo</p> <p>9 at the bottom, and I'm just interested in amounts here.</p> <p>10 It states: The aggregate purchase price</p> <p>11 paid by Sentinel for the assets was \$25 million. The</p> <p>12 aggregate fair market value of the assets on the date of</p> <p>13 the transaction was \$105,647,679.</p> <p>14 You see that?</p> <p>15 <b>A. I see the paragraph you're reading, yes.</b></p> <p>16 Q. Okay. And I think we've established you didn't</p> <p>17 have any knowledge of these amounts at the time; is that</p> <p>18 fair?</p> <p>19 <b>A. No, I don't recall.</b></p> <p>20 Q. It says: The document effectuating the</p> <p>21 transition -- excuse me -- the transaction did not</p> <p>22 allocate the purchase price among the assets acquired by</p> <p>23 Sentinel.</p> <p>24 See that?</p> <p>25 <b>A. I do see that.</b></p>
342	<p>1 It was that same outside counsel that we</p> <p>2 discussed earlier --</p> <p>3 <b>A. Yes.</b></p> <p>4 Q. -- who you are referring to? I see.</p> <p>5 Do you know who Shawn Raver is?</p> <p>6 <b>A. That name seems familiar, but I don't know.</b></p> <p>7 Q. I'm showing you what's been ar- -- what's been</p> <p>8 previously marked as Deposition Exhibit 3.</p> <p>9 Do you need a break, Mrs. Irving? Are</p> <p>10 you --</p> <p>11 <b>A. No, I'm okay. Thank you.</b></p> <p>12 Q. And we'll start just on this first page, and then</p> <p>13 I'll -- I'll take you to the attachment.</p> <p>14 You see this is from Shawn Raver to</p> <p>15 Rick Swadley both with @highlandcapital.com e-mails?</p> <p>16 <b>A. I see that, uh-huh.</b></p> <p>17 Q. And the date is 12th of September 2018, right?</p> <p>18 <b>A. I see that here, yes.</b></p> <p>19 Q. And then there's an attachment that says,</p> <p>20 "Tax_Compliance_Memo_(2017)_Sale_of_Assets_to_Sentinel."</p> <p>21 Is that the attachment that's listed there?</p> <p>22 <b>A. I see that printed here, yes.</b></p> <p>23 Q. Okay. Now, flipping to the next page -- and</p> <p>24 just, at a very high level, do you recall ever having seen</p> <p>25 this tax -- excuse me -- this memorandum?</p>	344	<p>1 Q. Now, was it -- in your dealings with Sentinel --</p> <p>2 well, strike that.</p> <p>3 I'm just wondering: As -- as a CPA, does it</p> <p>4 make sense to purchase an insurance policy in which you</p> <p>5 overpay by four times the amount of the premium?</p> <p>6 MS. SMITH: Objection, form.</p> <p>7 THE WITNESS: I wasn't acting as a -- as a</p> <p>8 CPA. I'm not functioning as a CPA at all related to this</p> <p>9 transaction.</p> <p>10 BY MR. BURT:</p> <p>11 Q. Right.</p> <p>12 But I'm just wondering: From a financial</p> <p>13 perspective -- and we've gone through your credentials --</p> <p>14 whether you have any thoughts of giving assets that are</p> <p>15 worth more; in this case, by four times, than the policy</p> <p>16 coverage -- than the pre- -- excuse me -- than the</p> <p>17 premium?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 THE WITNESS: You're asking my -- my</p> <p>20 thoughts about this?</p> <p>21 BY MR. BURT:</p> <p>22 Q. Yeah.</p> <p>23 Does that make sense to you?</p> <p>24 MS. SMITH: Objection, form.</p> <p>25 THE WITNESS: It would depend on the</p>

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87 (345 to 348)

345	1 circumstance. 2 BY MR. BURT: 3 Q. Okay. So it might make sense to overpay a 4 premium by four times to purchase an insurance policy? 5 MS. SMITH: Objection, form. 6 THE WITNESS: It could. 7 BY MR. BURT: 8 Q. And what would those circumstances be? 9 <b>A. If -- I mean, we are just doing hypotheticals</b> 10 <b>here?</b> 11 Q. Not a hypothetical. I'm looking at these numbers 12 in this memo. 13 I'm not asking you to testify as an expert; 14 I'm asking for -- as a lay witness, as a CPA, whether that 15 makes financial sense to you to overpay by four times? 16 <b>A. I don't --</b> 17 MS. SMITH: Objection, form. 18 THE WITNESS: I don't know in relation to 19 this transaction. 20 BY MR. BURT: 21 Q. Okay. Looking -- now turning to page 4 of this 22 memo, the last paragraph on page 4, the paragraph begins: 23 It is clear the transaction had economic substance. 24 Do you see that paragraph? 25 <b>A. Yes.</b>	347	1 Mrs. Irving, in the e-mails. The attachment is one of the 2 actuarial documents, which you've testified you never saw, 3 so we won't worry about that. 4 <b>A. Okay.</b> 5 Q. So just looking at the e-mails, beginning on the 6 first page, in the middle, there's an e-mail from Tom 7 Adamczak to Jason Stubbs on May 9th, 2019. 8 You see that? 9 <b>A. I see it.</b> 10 Q. And I may have asked you this before: But do you 11 know who Jason Stubbs is? 12 <b>A. I don't know who that is.</b> 13 Q. And Risk International, no idea? 14 <b>A. No idea.</b> 15 Q. Okay. And Mr. Adamczak writes: I have a few 16 edits based on the recent examination. And so we're in 17 the May 2019 time period. 18 It says, page 3, first paragraph: Need to 19 recognize SAS and Sentinel structures, both different, as 20 CIMA made the point during exam. 21 Not -- do you see that, where I just read? 22 <b>A. Yeah, I see it.</b> 23 Q. Do you know what he is referring to there? 24 <b>A. No.</b> 25 Q. All right. The next bullet, page 3, third
346	1 Q. All right. Now, five lines down, there's a line 2 that begins: In addition, Sentinel is not related... 3 Do you see that? 4 <b>A. I do.</b> 5 Q. There it says: In addition, Sentinel is not 6 related to the seller entities, and each side to the 7 transaction was independent of the other. There are no 8 facts to indicate the transaction was not the result of 9 arm's-length negotiations. 10 Is that consistent with your understanding 11 of the transaction? 12 MS. SMITH: Objection, form. Oh, also calls 13 for a legal conclusion. 14 MR. BURT: I'm just asking whether it's 15 consistent with her recollection. 16 THE WITNESS: Sentinel was not related to 17 the seller entities, yes, agree. 18 BY MR. BURT: 19 Q. Okay. And the seller entities, we've looked -- 20 are listed in Schedule A to the APA, right? 21 <b>A. I -- yes, I believe so.</b> 22 Q. Okay. We'll mark this as 111. 23 (Exhibit 111 was marked for identification.) 24 BY MR. BURT: 25 Q. And I'm only interested in this exhibit,	348	1 paragraph, says: I want to get Matt to weigh in here as 2 it references the ATE coverage being provided to 3 unaffiliated entities. Yet, we keep making the point to 4 CIMA that all are related in some way. Sentinel UBO 5 ultimately controls the insureds. 6 Do you see that? 7 <b>A. I see it.</b> 8 Q. Were you involved in discussions with CIMA in 9 which that point was made to CIMA, that the Sentinel UBO 10 ultimately controls the insureds? 11 MS. SMITH: Objection to form. 12 THE WITNESS: I don't think this makes any 13 sense. So, no, since I don't think this makes any sense, 14 no, I wasn't discussing that with CIMA. 15 BY MR. BURT: 16 Q. What doesn't make sense to you? 17 <b>A. I don't think it's very well written. It says:</b> 18 <b>We keep making the point to CIMA that all -- I don't know</b> 19 <b>what "all are related in some way. Sentinel UBO</b> 20 <b>ultimately controls insureds."</b> 21 Q. Well, if you look at the first line, he states: 22 Want to get Matt to weigh in here as it references the ATE 23 coverage being provided to unaffiliated entities. And the 24 "ATE coverage," as we've examined at length today, related 25 to the litigation involving UBS, correct?

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88 (349 to 352)

349	1 MS. SMITH: Objection, form. 2 THE WITNESS: You're saying the -- sorry. 3 Could you repeat that? 4 BY MR. BURT: 5 Q. Sure. 6 The ATE coverage -- I'll ask it a different 7 way -- involved the entities on Schedule A transferring 8 assets to Sentinel -- Schedule A to the APA, transferring 9 assets to Sentinel -- 10 <b>A. Okay.</b> 11 Q. -- and obtaining an insuran- -- an ATE insurance 12 policy in exchange, right? 13 <b>A. My understanding, yes, that's right.</b> 14 Q. Okay. And here he is stating "it," referring to 15 the audit -- the actuarial draft, references the coverage 16 being provided to unaffiliated entities. Yet, "we" keep 17 making the point to CIMA that "all" are related in some 18 way. 19 MS. SMITH: Objection, form. 20 BY MR. BURT: 21 Q. Sentinel UBO ultimately controls insureds. The 22 "insureds" being the CDO Fund and other entities we've 23 seen in prior exhibits, right? 24 <b>A. What's the question?</b> 25 Q. The "insureds" refers to the entities that	351	1 discussion with Sentinel -- or -- excuse me -- with CIMA? 2 <b>A. No. I don't think this makes any sense, no.</b> 3 Q. So put the document down. I am asking you a 4 question, whether you recall that topic ever being 5 discussed with CIMA during your meetings that you attended 6 with CIMA, that the Sentinel owners controlled the 7 insureds? 8 <b>A. I don't recall that.</b> 9 Q. You don't recall that coming up in your meetings 10 with CIMA? 11 <b>A. I don't.</b> 12 MR. BURT: Yeah. Is it okay if we take 13 five? 14 MS. SMITH: Yep. 15 MR. BURT: I think we are probably at six -- 16 THE VIDEOGRAPHER: We are off the record at 17 6:01 p.m. 18 (Brief recess taken.) 19 THE VIDEOGRAPHER: Back on record at 6:16 20 p.m. 21 BY MR. BURT: 22 Q. Mrs. Irving, we were -- I just wanted to ask a 23 couple of wrap-up questions with respect to the -- the ATE 24 policy. 25 Did you ever work to determine the business
350	1 purchased the insurance? 2 <b>A. I agree the insureds is referring to the entities</b> 3 <b>which purchased the insurance, yes.</b> 4 Q. Do you disagree that the Sentinel -- Sentinel 5 UBO, ultimate beneficial owner, ultimately controls the 6 insureds? 7 MS. SMITH: Objection, form. 8 THE WITNESS: This whole sentence makes no 9 sense to me. 10 BY MR. BURT: 11 Q. So back out. Did you -- you've met with CIMA, 12 and you said at least twice, right? 13 <b>A. Yes, I have met with CIMA.</b> 14 Q. Okay. Once was in August in 2019, and to the 15 best of your knowledge, you can't recall when the other 16 meeting was -- 17 <b>A. Right.</b> 18 Q. -- is that right? 19 <b>A. That's right.</b> 20 Q. Both meetings were at CIMA's offices? 21 <b>A. Yes.</b> 22 Q. Did this ever come up, any representation to CIMA 23 that you remember, that Sentinel -- the owners of Sentinel 24 controls the insureds, the entities that are insured under 25 the ATE policy? Do you ever recall that coming up in a	352	1 rationale for the ATE policy? 2 <b>A. No.</b> 3 Q. Do you know whether anyone did? 4 MS. SMITH: Objection, form. 5 THE WITNESS: I don't know. 6 BY MR. BURT: 7 Q. You weren't involved in that at all? 8 <b>A. Not that I recall.</b> 9 Q. How about the Asset Purchase Agreement, did you 10 ever work to determine the business rationale for 11 transferring all of those assets out of CDO Fund to this 12 -- in those various entities? 13 MS. SMITH: Objection, form. 14 THE WITNESS: No. 15 BY MR. BURT: 16 Q. Okay. Do you know if Sentinel had the means to 17 pay out the policy in 2017 if the insureds had come asking 18 for payment? 19 <b>A. I don't know.</b> 20 Q. Who would know that? 21 <b>A. CIMA or the administrator.</b> 22 Q. So Beecher Carlson would know that? 23 <b>A. Maybe.</b> 24 Q. Anybody at HCMLP who was working on the ATE? 25 MS. SMITH: Objection, form.

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89 (353 to 356)

353	1 THE WITNESS: Sorry. Could you repeat that 2 whole question, please? 3 BY MR. BURT: 4 Q. Sure. 5 Was any -- would -- anybody at HCMLP, who 6 was working on the ATE or the Asset Purchase Agreement, 7 would -- would they know whether Sentinel had the means to 8 pay out on the policy in 2017? 9 <b>A. I don't know.</b> 10 MS. SMITH: Objection, form. 11 BY MR. BURT: 12 Q. How about in -- let me know if your answer is the 13 same in relation to the 2020 time period, whether Sentinel 14 had the means to pay out on the policy. 15 <b>A. No idea.</b> 16 Q. Okay. And with respect to who might know, would 17 your answer be the same: CIMA and, perhaps, Beecher 18 Carlson? 19 <b>A. Yes.</b> 20 Q. All right. Do you know who the creditors of 21 Sentinel are? 22 MS. SMITH: Objection, form. 23 THE WITNESS: What do you mean by 24 "creditors"? 25 BY MR. BURT:	355	1 <b>A. (Witness reviews documents.)</b> 2 <b>I don't recognize these at all.</b> 3 Q. Okay. Okay. Understood. 4 So setting those aside, do you have any 5 knowledge of the insurance premium on the ATE being 6 adjusted at any time? 7 <b>A. Not that I recall.</b> 8 Q. So looking at Endorsement 1, it states: The 9 premium, as stated in the schedule, is adjusted to 10 \$68,362,333.62 to include the total fair value of received 11 assets. Premium received consists of cash of 11 million 12 -- some-odd million, miscellaneous receivables of 13 1.753 million, and investment portfolio of 55.525 million 14 as measured at fair value on the transfer date. 15 Do you see that? 16 <b>A. I see it, yes.</b> 17 Q. And Lesley Thompson signs at the bottom as the 18 director, right? 19 <b>A. Uh-huh.</b> 20 Q. So you have no knowledge of this, the 21 readjustment of the premium? 22 <b>A. That is not familiar to me.</b> 23 Q. Okay. Or the values of -- the value of 68 24 million listed here in this? 25 MS. SMITH: Objection to form.
354	1 Q. So what do you understand creditor to mean in the 2 context of -- you have an insurance company, Sentinel, 3 with creditors. You understand what a creditor would be? 4 <b>A. Presumably would be someone who is owed money.</b> 5 Q. Right. And maybe loaned to Sentinel, or loaned 6 assets, contributed capital? 7 MS. SMITH: Objection, form. 8 THE WITNESS: I don't know who the creditors 9 of Sentinel would be. 10 BY MR. BURT: 11 Q. Okay. All right. I'm going to hand you -- 12 sorry. One moment. Let me find it in my own notes. Oh, 13 that's right, 34 -- no, I'm sorry. I'm confusing myself. 14 This is -- this has been previously marked 15 as Deposition Exhibit 58. 16 Now, the first pages of this document, MD_10 17 through MD_26 is the insurance policy that we've looked at 18 previously. So I'd like to go to MD_27 and look at both 19 this page and the next page; MD_27 having the "Sentinel 20 Reinsurance" heading at the top, and stating, "Endorsement 21 No. 1," and MD_28 having the "Sentinel" heading at the top 22 and stated "Endorsement No. 2." 23 Go ahead and take a look at that, 24 Mrs. Irving, and when you're ready, let me know if you 25 recognize these documents.	356	1 THE WITNESS: I -- I'm not familiar with 2 this. 3 BY MR. BURT: 4 Q. Okay. And is it -- is your answer the same with 5 respect to Endorsement 2, no knowledge of that either? 6 <b>A. I'm not familiar with this.</b> 7 Q. And, here, we see that the premium is reduced to 8 \$59,362,333.62. 9 That's unfamiliar to you? 10 <b>A. I'm not familiar with this, yeah.</b> 11 Q. It states that: 9 million has been prepaid by 12 the insured -- 13 <b>A. Excuse me.</b> 14 Q. -- to the insurer to cover risk mitigation costs, 15 which include, but are not limited to, legal defense 16 costs. 17 Do you recall or have any knowledge of 18 9 million being paid by the insured to the ATE policy? 19 MS. SMITH: Objection to form. 20 THE WITNESS: This 9 million is not familiar 21 to me. 22 BY MR. BURT: 23 Q. Okay. And then: The limit of indemnity is 24 reduced to 91 million in the aggregate to correlate with 25 prefunding the risk mitigation costs of 9 million.

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357	<p>1 Do you recall the -- the limit being reduced</p> <p>2 from 100 million to 91 million?</p> <p>3 <b>A. I don't.</b></p> <p>4 Q. Do you know who might know about this, aside from</p> <p>5 Mrs. Thompson who signed?</p> <p>6 <b>A. I don't.</b></p> <p>7 Q. Now, going back to something we discussed earlier</p> <p>8 today -- what number is this --</p> <p>9 MS. MCLAUGHLIN: 101.</p> <p>10 BY MR. BURT:</p> <p>11 Q. -- looking at Exhibit 101, the CIMA letters that</p> <p>12 we've looked at earlier --</p> <p>13 MS. MCLAUGHLIN: It's the one with the</p> <p>14 orange tab at the top.</p> <p>15 MR. BURT: Oh, yes, that's right.</p> <p>16 THE WITNESS: Oh, thanks.</p> <p>17 BY MR. BURT:</p> <p>18 Q. All right. Now, I -- looking at that first page,</p> <p>19 the very first e-mail from Mr. Price at Beecher Carlson to</p> <p>20 CIMA, various CIMA individuals -- and we've looked at this</p> <p>21 before. But there are four attachments, and I want to</p> <p>22 look, specifically, at the third attachment, which is</p> <p>23 Sentinel Reinsurance, Ltd., Final On-site Inspection</p> <p>24 Report, AML-Specific Report.</p> <p>25 <b>A. Okay.</b></p>	359	<p>1 understood "AML" to refer to anti-money laundering; is</p> <p>2 that right?</p> <p>3 <b>A. Yes.</b></p> <p>4 Q. Do you have an understanding of what "CFT" refers</p> <p>5 to?</p> <p>6 <b>A. No.</b></p> <p>7 Q. Okay. Well, let's look at this. I'll draw your</p> <p>8 attention to just a few portions of this.</p> <p>9 First, page 5 of 13, there under heading</p> <p>10 5.2, "AML Findings" -- well, hold on. Excuse me just one</p> <p>11 second.</p> <p>12 Okay. Yeah. Drawing your attention to 5.2,</p> <p>13 "AML Findings," on page 5 of 13, and under finding</p> <p>14 5.2.1.1; do you see where I'm at?</p> <p>15 <b>A. I do.</b></p> <p>16 Q. And it states there at the beginning: On</p> <p>17 August 1st, 2017, the Licensee entered into an insurance</p> <p>18 contract to provide ATE cover to Highland CDO Opportunity</p> <p>19 Master Fund, L.P., Highland CDO Fund Holding Company, and</p> <p>20 Highland Special Opportunities Holding Company, all</p> <p>21 affiliates of SAS Asset Recovery.</p> <p>22 Do you see that?</p> <p>23 <b>A. I do.</b></p> <p>24 Q. And it says: The premium for the coverage was</p> <p>25 initially set at 25 million with an indemnity limit of</p>
358	<p>1 Q. Do you recall there being two reports being</p> <p>2 issued by CIMA at this time in, approximately, May of</p> <p>3 2019?</p> <p>4 <b>A. No, I don't recall that.</b></p> <p>5 Q. All right. Let's flip to that. So it's the</p> <p>6 third attachment.</p> <p>7 MR. BURT: What's the Bates?</p> <p>8 MS. MCLAUGHLIN: It's where the orange tab</p> <p>9 is.</p> <p>10 MR. BURT: Oh, it's where the orange tab is.</p> <p>11 THE WITNESS: Oh, okay.</p> <p>12 BY MR. BURT:</p> <p>13 Q. And -- and the heading here -- again, it has the</p> <p>14 CIMA, I guess, logo on it, and it states: Final AML-CFT</p> <p>15 and Sanctions Inspection Report for Sentinel Reinsurance,</p> <p>16 Ltd., conducted on 4th of March 2019 to the 11th of</p> <p>17 March 2019 and issued on 6th of May 2019.</p> <p>18 Do you see that?</p> <p>19 <b>A. I see it.</b></p> <p>20 Q. And were you aware that CIMA, as part of its</p> <p>21 inspection, was doing an AML inspection?</p> <p>22 MS. SMITH: Objection, form.</p> <p>23 THE WITNESS: I don't know.</p> <p>24 BY MR. BURT:</p> <p>25 Q. And I believe you testified earlier that you</p>	360	<p>1 100 million. Subsequently, an undated endorsement was</p> <p>2 affected adjusting the premium cover -- for the coverage</p> <p>3 to 68.3 million, consisting of U.S. 1 million cash, U.S.</p> <p>4 1.8 million, and miscellaneous receivables, and U.S.</p> <p>5 55.5 million in investment portfolio.</p> <p>6 And do you see that?</p> <p>7 <b>A. Yes. I think you said "1 million cash"; it says</b></p> <p>8 <b>"11 million cash."</b></p> <p>9 Q. Thank you for correcting me. You're absolutely</p> <p>10 right, 11 million cash.</p> <p>11 And do you recall -- we just looked at -- I</p> <p>12 know you hadn't seen it before, but we just looked at that</p> <p>13 endorsement?</p> <p>14 <b>A. Yes, you just showed me an endorsement.</b></p> <p>15 Q. Okay. Further: Subsequently, another undated</p> <p>16 endorsement was affected reducing the premium for the</p> <p>17 coverage and the indemnity limit to U.S. 59.3 million and</p> <p>18 U.S. 91 million respectively. U.S. 9 million was set</p> <p>19 aside as prepaid fund -- to cover risk mitigation costs,</p> <p>20 including, but not limited to, legal defense costs for</p> <p>21 then ongoing case.</p> <p>22 Do you see that?</p> <p>23 <b>A. I see it.</b></p> <p>24 Q. And is that consistent with Endorsement No. 2</p> <p>25 that we looked at? I understand that you had not seen</p>

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361	1 that before today. 2 MS. SMITH: Objection to form. 3 THE WITNESS: I'd have to review if it's 4 consistent, but you did show me a second endorsement, yes. 5 BY MR. BURT: 6 Q. Okay. Then it states: Those charged with 7 governance could not explain why the premium was adjusted 8 from U.S. 25 million to U.S. 68.3 million without a 9 commensurate adjustment to the indemnity limit provided or 10 why the initial pricing for the policy was subsequently 11 deemed not sufficient. 12 My question is: Were you aware of that? 13 <b>A. Was I aware of what?</b> 14 Q. This finding that I just read. 15 MS. SMITH: Objection to form. 16 THE WITNESS: I don't know. 17 BY MR. BURT: 18 Q. Okay. Looking down into the second paragraph -- 19 I don't want to read the whole second paragraph, but about 20 five or six lines up from the bottom, there's a sentence 21 that begins with: Those charged with the Licensee's 22 governance... 23 Can you tell me when you see that? 24 <b>A. Yes, I see it.</b> 25 Q. It states: Those charged with the Licensee's	363	1 in investments and cash vested prior to being transferred 2 to the Licensee for settlement of the ATE coverage 3 premium. 4 Did you have -- did you have any knowledge 5 about where the ownership in the 68.3 million had vested, 6 if it had vested prior to the transfer? 7 <b>A. No. I don't even know what this is talking</b> 8 <b>about.</b> 9 Q. Okay. And the finding -- ultimate finding is: 10 The above matters cast significant doubt on the economic 11 substance and business purpose of the transaction relating 12 to the ATE coverage. 13 Were you aware that CIMA had made that 14 finding with respect to the ATE? 15 <b>A. Not that I recall.</b> 16 Q. You don't recall having any discussions with 17 anybody at Sentinel or HCMLP or Beecher Carlson about this 18 finding? 19 <b>A. I don't.</b> 20 Q. Looking at page 7 of 13, there is a section that 21 begins with the title "Highland Multi-Strategy Credit 22 Fund, Ltd." 23 Do you see that? 24 <b>A. I do.</b> 25 Q. Are you familiar with that entity, Highland
362	1 governance could not explain the basis upon which the 2 investments had been valued on or about August 1st, 2017, 3 for the purpose of premium settlement. Also, they could 4 not explain the reason why the information that was relied 5 on to value the investments for the purpose of premium 6 settlement could not be readily provided to the auditors 7 upon request, considering that the policy inception and 8 the financial statements audit were only a few months 9 apart. 10 Okay. Do you see where I was just reading? 11 <b>A. I do see where you were just reading, yes.</b> 12 Q. Did you have anything to do with what I just 13 read, the finding that the valuation could not be 14 explained to CIMA? 15 <b>A. No. I --</b> 16 MS. SMITH: Objection to form. 17 THE WITNESS: I have no idea about this. 18 BY MR. BURT: 19 Q. Okay. And I think you've testified, but just to 20 be clear: You don't know who was involved in the 21 valuation of the assets, if anybody? 22 <b>A. I don't know.</b> 23 Q. Okay. And then, in the next paragraph, it 24 states: In addition, those charged with governance could 25 not explain where the ownership in the U.S. 68.3 million	364	1 Multi-Strategy Credit Fund, Ltd.? 2 MS. SMITH: Objection, form. 3 THE WITNESS: Not really. 4 BY MR. BURT: 5 Q. What do you know about that entity? 6 <b>A. I've heard the name before, but I -- I don't have</b> 7 <b>knowledge of the entity.</b> 8 Q. Okay. It states there in the first line: 9 Highland Multi-Strategy Credit Fund, Ltd. ("the Fund") is 10 a security held by the Licensee, a portion of which was 11 transferred in as premium on the ATE policy. 12 Do you see that? 13 <b>A. I see it.</b> 14 Q. Okay. And were you aware, as part of the 15 Schedule A assets, that a portion of the -- of this fund, 16 the Multi-Strategy Credit Fund, was transferred over to 17 Sentinel? 18 <b>A. I don't recall that specifically.</b> 19 Q. Okay. Do you know whether Sentinel ever redeemed 20 its interest in the multi-strat fund? 21 <b>A. I don't remember.</b> 22 Q. Is that something that you would have been 23 involved in, if there had been a redemption? 24 <b>A. I don't know.</b> 25 Q. Okay. But sitting here today -- and I'm going to



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365	1 ask this question broadly -- do you have any knowledge 2 whatsoever about whether Sentinel redeemed its interest in 3 the multi-strat -- Multi-Strategy Credit Fund? 4 <b>A. I don't remember.</b> 5 Q. Okay. 6 <b>A. I've been out for a long time. I haven't thought</b> 7 <b>about this or focused on this for quite some time.</b> 8 Q. I understand. And I'm just asking for your best 9 testimony, and I appreciate your efforts. 10 Looking at -- and you'll notice that this is 11 actually part of management -- if you look at page 6, this 12 comes under a heading of "Management Comments," actually. 13 Do you see that? 14 <b>A. Oh, yes, I see that.</b> 15 Q. Okay. And so the next heading, underneath 16 "Management Comments," is "Prior Ownership of the 17 Transferred Assets," right, on page 7? 18 <b>A. Okay. I see where it says, "Prior Ownership of</b> 19 <b>the Transferred Assets" on page 7.</b> 20 Q. Okay. And I want to look at the last paragraph 21 there. It states: The Licensee, Sentinel, acknowledges 22 that it had not undertaken documenting the ownership of 23 premiums prior to being transferred to the Licensee for 24 settlement of the ATE program. Furthermore, the Licensee 25 does not agree that it is out of compliance with	367	1 <b>"Capital Financial Group" definition is under the AML</b> 2 <b>guidance notes. I don't -- I don't have enough context to</b> 3 <b>be able to answer this in an intelligent way.</b> 4 Q. So stepping back -- you can set that aside for a 5 minute. 6 Stepping back and talking at a higher level, 7 was it generally aware -- was it generally known that the 8 insured entities, as part of the ATE, were -- had a common 9 owner with Sentinel? 10 <b>A. Was it --</b> 11 MS. SMITH: Objection to form. 12 THE WITNESS: Was it commonly known by who? 13 BY MR. BURT: 14 Q. At HCMLP. 15 We've talked about the discussions that 16 people had about the ATE policy, about the APA. Was that 17 a generally known fact that the insureds were controlled 18 by an individual who was also the ultimate owner of 19 Sentinel? 20 <b>A. I don't know.</b> 21 Q. You didn't -- you weren't aware of that at the 22 time; is that fair? 23 <b>A. I don't know if I agree with the -- the summary</b> 24 <b>you're making.</b> 25 Q. Well, I'm just reading from what Sentinel told
366	1 Section 1(C)(3) of the AML guidance notes. As the 2 policyholder is within a common financial group, as the 3 insured, is controlled by an individual who is also an 4 ultimate beneficial owner of the Licensee. 5 Do you see that? 6 <b>A. Uh-huh.</b> 7 Q. Okay. 8 <b>A. Yes.</b> 9 Q. So this is under "Management Comments" telling 10 CIMA that, right? 11 <b>A. Okay.</b> 12 Q. Were you aware that Sentinel was taking this 13 position, that it was not out of compliance with the AML 14 guidance note because the policyholder, being the 15 insureds -- the insured entities, is within a common 16 financial group, as the insured, is controlled by an 17 individual who is also an ultimate beneficial owner of the 18 Licensee? Were you aware of that fact? 19 MS. SMITH: Objection to form. 20 THE WITNESS: I was not aware Sentinel was 21 taking this position, no. 22 BY MR. BURT: 23 Q. Okay. Do you disagree with this position? 24 <b>A. There are too many nuances in here for me to</b> 25 <b>answer in an accurate way. I don't know what this</b>	368	1 the regulatory agency. This is what Sentinel said to 2 CIMA. Did Sentinel lie to CIMA? 3 MS. SMITH: Objection to form. 4 THE WITNESS: Certainly not. 5 BY MR. BURT: 6 Q. Okay. When you were working on answers or 7 assisting with certain answers to the CIMA follow-up, was 8 it important that accurate information was conveyed to 9 CIMA? 10 <b>A. Of course.</b> 11 MS. SMITH: Objection to form. 12 THE WITNESS: Of course. 13 BY MR. BURT: 14 Q. And -- and did people work hard to make sure the 15 -- the accurate information was provided to CIMA? 16 <b>A. Yes.</b> 17 Q. Did you ever hear anyone say: We want to be 18 dishonest with CIMA here? 19 <b>A. No, absolutely not.</b> 20 Q. Okay. I'm going to show you -- you can set that 21 aside -- what's been previously marked as Exhibit 30 -- 22 Exhibit 84. 23 MR. BURT: I'm sorry. I didn't get that. 24 (Off-record discussion.) 25 BY MR. BURT:

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369	<p>1 Q. Now, as you take a look at this exhibit, I'll</p> <p>2 preface it with we -- we've talked about your August</p> <p>3 meeting was with CIMA and that you do recall going to the</p> <p>4 Cayman Islands to meet with CIMA in August of 2017 --</p> <p>5 2019 -- excuse me -- is that right?</p> <p>6 <b>A. I recall meeting with CIMA in August of 2019.</b></p> <p>7 Q. All right. Now, looking at this e-mail, on</p> <p>8 the -- on the -- that's -- the front page of this</p> <p>9 Exhibit 84, it's from you at your Highland Capital e-mail</p> <p>10 address to a Lauren Baker, cc'ing Mr. DiOrio and</p> <p>11 Mr. Sevilla.</p> <p>12 "Subject: Privileged and Confidential -</p> <p>13 Presentation," dated 6th of August, 2019.</p> <p>14 Do you see that?</p> <p>15 <b>A. (Witness nods head affirmatively.)</b></p> <p>16 Q. Who is Mrs. -- excuse - sorry, you just have to</p> <p>17 --</p> <p>18 <b>A. Yes.</b></p> <p>19 Q. Who is Ms. Baker?</p> <p>20 <b>A. She was an admin, I believe -- I don't want to</b></p> <p>21 <b>misspeak on that, she was an admin, and then began work on</b></p> <p>22 <b>the PR group.</b></p> <p>23 Q. Do you recall having her print out ten bound</p> <p>24 copies of this presentation?</p> <p>25 <b>A. No, I don't recall that.</b></p>	371	<p>1 Q. Okay. And just - just by way of curiosity, how</p> <p>2 did you get to the Cayman Islands?</p> <p>3 <b>A. We flew on a plane.</b></p> <p>4 Q. Okay. Was it a commercial flight?</p> <p>5 <b>A. I don't remember.</b></p> <p>6 Q. Or was it a private plane?</p> <p>7 <b>A. I don't remember.</b></p> <p>8 Q. You don't have any recollection of whether you</p> <p>9 flew commercial or whether you flew on a private plane?</p> <p>10 <b>A. For the August 2019 meeting, I don't recall.</b></p> <p>11 Q. Did you ever fly on a private plane to the</p> <p>12 Caymans?</p> <p>13 <b>A. Yes.</b></p> <p>14 Q. How many times?</p> <p>15 <b>A. I don't remember.</b></p> <p>16 Q. Do you know who paid for that private plane?</p> <p>17 <b>A. I don't know.</b></p> <p>18 Q. Do you know whether Sentinel paid for that</p> <p>19 private plane?</p> <p>20 <b>A. I don't know.</b></p> <p>21 Q. Okay. So no one -- no one talked with you about</p> <p>22 who's paying for the private planes to the Cayman Islands?</p> <p>23 <b>A. Not that I remember.</b></p> <p>24 Q. Okay. And you don't recall specifically in</p> <p>25 August of 2019 whether you flew private or commercial to</p>
370	<p>1 Q. Do you re- -- so looking at the actual</p> <p>2 presentation that follows -- go ahead and take a look at</p> <p>3 it, and my question is whether you recall this</p> <p>4 presentation?</p> <p>5 <b>A. (Witness reviews document.) This seems familiar,</b></p> <p>6 <b>yes.</b></p> <p>7 Q. What do you recall about it?</p> <p>8 <b>A. I mean, it just -- the document looks familiar.</b></p> <p>9 <b>I don't recall specifics of anything.</b></p> <p>10 Q. Okay. Did you help put it together?</p> <p>11 MS. SMITH: Objection, form.</p> <p>12 THE WITNESS: I don't know.</p> <p>13 BY MR. BURT:</p> <p>14 Q. Do you know who would have put it together?</p> <p>15 <b>A. No, I don't.</b></p> <p>16 Q. Who all from Highland Capital was at that meeting</p> <p>17 in August of 2019?</p> <p>18 <b>A. I'm trying to remember.</b></p> <p>19 Q. Would it help if I listed some names and you</p> <p>20 could answer yes or no?</p> <p>21 <b>A. No. I'm just trying to remember who -- who was</b></p> <p>22 <b>there. I believe it was Scott Ellington, J.P. Sevilla and</b></p> <p>23 <b>Matt DiOrio.</b></p> <p>24 Q. And yourself?</p> <p>25 <b>A. And me, yes.</b></p>	372	<p>1 meet with CIMA?</p> <p>2 <b>A. I don't remember.</b></p> <p>3 Q. Where'd you stay?</p> <p>4 <b>A. At a rented house.</b></p> <p>5 Q. Who was renting the house?</p> <p>6 <b>A. I don't know.</b></p> <p>7 Q. Was it Mr. Ellington?</p> <p>8 <b>A. I -- I don't know who rented the house.</b></p> <p>9 Q. No knowledge whatsoever?</p> <p>10 MS. SMITH: Objection; asked and answered.</p> <p>11 BY MR. BURT:</p> <p>12 Q. You can answer.</p> <p>13 <b>A. Who rented the house?</b></p> <p>14 Q. Yeah. My question is: You have no knowledge</p> <p>15 whatsoever of who was renting the house?</p> <p>16 <b>A. In August of 2019?</b></p> <p>17 Q. Yeah, where you stayed?</p> <p>18 <b>A. I don't know.</b></p> <p>19 Q. How long did you stay?</p> <p>20 <b>A. I don't remember.</b></p> <p>21 Q. Was it a day? More than a day? A week?</p> <p>22 <b>A. More than a day. More than a day and less than a</b></p> <p>23 <b>week.</b></p> <p>24 Q. Okay. Okay. Looking at this presentation to</p> <p>25 CIMA, in August -- I want to look at -- it's the fourth</p>

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373	<p>1 page -- excuse me -- fifth page with the Bates that ends 2 in 72287, and it states: ATE Policy Timeline. 3 In June of 2017, it's listed that an: ATE 4 opportunity arises. Do you know what that's referring to? 5 <b>A. Sorry. Where are you on this document?</b> 6 Q. It's the Timeline. 7 <b>A. Okay. I'm here.</b> 8 Q. And I'm looking at June of 2017 the first entry 9 in the timeline that an: ATE opportunity arises. 10 What do you know about that? 11 <b>A. I don't know. Could you give me a different</b> 12 <b>question or -- or a little more precise question? I don't</b> 13 <b>know what --</b> 14 Q. Well, I'm asking as broadly as I can whether you 15 have any knowledge of the ATE opportunity arising. 16 <b>A. It arose, but other than that, I don't -- I don't</b> 17 <b>know.</b> 18 Q. You don't know how it arose? 19 <b>A. I don't.</b> 20 Q. You don't know who brought it to the attention of 21 anybody at Sentinel? 22 <b>A. I don't.</b> 23 Q. Did any members -- did any board of directors of 24 Sentinel attend that meeting in -- in August of 2019? 25 <b>A. I believe so, but I can't remember specifically.</b></p>	375	<p>1 You recall that being discussed at the 2 meeting with CIMA? 3 <b>A. No.</b> 4 Q. And you have no knowledge, other than looking at 5 this on the page here, about adjusting the ATE premium to 6 68 million; is that right? 7 <b>A. Yes, that's right; I do not have knowledge about</b> 8 <b>adjustment of the premium.</b> 9 Q. And is your answer the same with respect to later 10 in June of 2018, readjusting it down to 59 million? 11 <b>A. Yes, my answer is the same.</b> 12 Q. Okay. One moment, please. 13 What was your role -- excuse me. What was 14 your role specifically at the meeting? 15 <b>A. From what I recall, I really just took notes and</b> 16 <b>listened in on anything related to CIMA's mandate to</b> 17 <b>simplify the structure that we've talked about earlier.</b> 18 Q. Okay. Did you actually speak at the meeting? 19 <b>A. I don't remember.</b> 20 Q. You don't remember whether you were responsible 21 for presenting any of the slides to CIMA? 22 <b>A. I don't remember.</b> 23 Q. Okay. Looking at Slide 8, it says -- it has the 24 title of: Investment Portfolio Roll-Forward Detail. 25 And there are -- it appears about the last</p>
374	<p>1 Q. Was Mr. DiOrio a member of the board at that 2 time? 3 <b>A. I don't know.</b> 4 Q. How about anybody from Beecher Carlson, did they 5 attend that meeting? 6 <b>A. I believe so.</b> 7 Q. And who would that have been? 8 <b>A. Clayton Price.</b> 9 Q. He attended the meeting in August 2019? 10 <b>A. I believe so.</b> 11 Q. Okay. In August of 2017, the next -- I'm not 12 looking at the July but the August, it states the: Board 13 reviews the opportunity and diligence, resolves to move 14 forward; ATE policy executed and takes effect. 15 What do you know about the board reviewing 16 the opportunity and any diligence that the board did? 17 <b>A. I don't know.</b> 18 Q. You recall what was discussed with CIMA about 19 that, what was represented to CIMA at that meeting about 20 that? 21 <b>A. No.</b> 22 Q. In June of 2018, it says the: Auditors and 23 actuary recommend that Board authorize adjusting the ATE 24 premium to \$68 million to account for the value of the 25 underlying securities, outside counsel consulted.</p>	376	<p>1 third -- just over a third of these investments, the 2 market value was listed as "N/A." 3 Do you see all those N/As at the bottom? 4 <b>A. I do see the N/As at the bottom of this page,</b> 5 <b>yes.</b> 6 Q. Do you recall at all why NA is listed for all of 7 those investments? 8 <b>A. No idea.</b> 9 Q. Do you recall what was said to CIMA about that at 10 that meeting? 11 <b>A. No, I do not recall.</b> 12 Q. Looking up higher in this, about five lines down 13 there's an entity that's called SeaOne, and my question 14 is: Do you know what SeaOne is? 15 <b>A. Yes.</b> 16 Q. What is that? 17 <b>A. SeaOne is an investment in a -- I think it's a</b> 18 <b>liquid natural gas company.</b> 19 Q. And an investment by whom? 20 <b>A. SS Holdings, Ltd., which is a subsidiary of the</b> 21 <b>regulated entity Sentinel Reinsurance, Ltd.</b> 22 Q. Okay. So S- -- what was it, SS Holdings? 23 <b>A. Limited.</b> 24 Q. All right. And looking at the last page, just 25 so -- on the -- there's an org chart.</p>

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377	<p>1 <b>A. There is.</b></p> <p>2 Q. There it is. So SS Holdings, Ltd., underneath</p> <p>3 Sentinel Reinsurance; is that right, on -- on this org</p> <p>4 chart?</p> <p>5 <b>A. Yes, Sentinel Reinsurance, Ltd., owns SS</b></p> <p>6 <b>Holdings, Ltd.</b></p> <p>7 Q. And it reflects here the SeaOne investment; it</p> <p>8 appears under that?</p> <p>9 <b>A. It does on this page reflect that, yes.</b></p> <p>10 Q. Was SeaOne relate- -- was it affiliated in any</p> <p>11 way with HCMLP?</p> <p>12 <b>A. Not to my knowledge.</b></p> <p>13 Q. How about other than being owned by -- strike</p> <p>14 that.</p> <p>15 Do you know whether Messrs. Dondero or</p> <p>16 Ellington had anything to do with SeaOne?</p> <p>17 MS. SMITH: Objection, form.</p> <p>18 BY MR. BURT:</p> <p>19 Q. For example, was it a business venture that they</p> <p>20 were pursuing?</p> <p>21 <b>A. I don't know.</b></p> <p>22 Q. You don't know? Okay.</p> <p>23 For this meeting, did someone ask you to</p> <p>24 attend the meeting, or did you -- did you ask to go?</p> <p>25 <b>A. I don't know.</b></p>	379	<p>1 <b>remember if I spoke at the meeting. I -- I just don't</b></p> <p>2 <b>remember.</b></p> <p>3 Q. Do you recall what the out- -- what the outcome</p> <p>4 of that meeting was? Did CIMA indicate anything to</p> <p>5 you-all at the end of the meeting?</p> <p>6 <b>A. I don't remember.</b></p> <p>7 Q. Looking at -- we've -- I need the exhibit number.</p> <p>8 I think it's 108.</p> <p>9 <b>A. It's one I already have?</b></p> <p>10 Q. It's one you already have, Exhibit 108.</p> <p>11 <b>A. What is it?</b></p> <p>12 Q. It is an e-mail from Clayton Price -- excuse me,</p> <p>13 from -- again, I can't pronounce this name -- Sehliselo</p> <p>14 Dube to Clayton Price, cc'ing Tom Adamczak. And this</p> <p>15 contained the ITA Trust Deed that we looked at earlier.</p> <p>16 <b>A. You said it's Exhibit 108?</b></p> <p>17 Q. 108.</p> <p>18 <b>A. Let me see. I got it -- I got it in here</b></p> <p>19 <b>somewhere.</b></p> <p>20 Q. I know you've got a lot over there.</p> <p>21 <b>A. Uh-huh.</b></p> <p>22 MS. MCLAUGHLIN: There's a bright pink stamp</p> <p>23 on the back, if that helps.</p> <p>24 THE WITNESS: Got it.</p> <p>25 BY MR. BURT:</p>
378	<p>1 Q. You don't recall Mr. Ellington, for example,</p> <p>2 coming and saying: Hey, Katie, I'd like you to come to</p> <p>3 this meeting with me; we are meeting with CIMA?</p> <p>4 <b>A. I don't remember whether I asked or whether he</b></p> <p>5 <b>asked me.</b></p> <p>6 Q. Would anybody else have asked you other than</p> <p>7 Mr. Ellington, or if anybody asked, would it likely have</p> <p>8 been him?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: If someone asked me to attend</p> <p>11 the meeting, it would have been Mr. Ellington, yes.</p> <p>12 BY MR. BURT:</p> <p>13 Q. Did he do most of the talking at this meeting, or</p> <p>14 Mr. DiOrio or Leventon do the talking; do you recall?</p> <p>15 <b>A. You said "Mr. Leventon." I don't recall him</b></p> <p>16 <b>being at that meeting.</b></p> <p>17 Q. Oh, Mr. Sevilla. Excuse me. You're right.</p> <p>18 <b>A. I -- I don't remember.</b></p> <p>19 Q. And so we just looked at this, the very last</p> <p>20 supplied, the CIMA-Approved Sentinel Structure. And</p> <p>21 recalling your testimony, that this is really where you</p> <p>22 were involved, the structure of -- of Sentinel in all of</p> <p>23 this, did you present this slide or discuss any of this</p> <p>24 with CIMA at that meeting?</p> <p>25 <b>A. I don't remember if I presented it. I don't</b></p>	380	<p>1 Q. Okay. Now, we've looked at -- there's one</p> <p>2 exhibit left to this e-mail chain that I want to look at</p> <p>3 that we hadn't looked at before. It's the first</p> <p>4 attachment, actually. You see there's four attachments,</p> <p>5 the first attachment being 18- -- 181217 BOD Meeting</p> <p>6 Minutes DRAFT.</p> <p>7 You see that?</p> <p>8 MS. SMITH: What's the Bates?</p> <p>9 THE WITNESS: Are you talking about an</p> <p>10 attachment referenced here?</p> <p>11 BY MR. BURT:</p> <p>12 Q. Yes. In the -- in the top e-mail, it's referring</p> <p>13 to the first attachment --</p> <p>14 THE WITNESS: I think he's talking about</p> <p>15 this (indicating).</p> <p>16 MS. SMITH: Oh.</p> <p>17 MR. BURT: Right.</p> <p>18 BY MR. BURT:</p> <p>19 Q. And the third -- the -- three pages in, if you go</p> <p>20 three pages in, is the attachment with the title Sentinel</p> <p>21 Reinsurance, Ltd., (the "Company"), at the very top.</p> <p>22 <b>A. Okay. Bates 6063?</b></p> <p>23 Q. That's correct.</p> <p>24 <b>A. Okay.</b></p> <p>25 Q. Yep.</p>

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381	<p>1 <b>A. I'm with you.</b></p> <p>2 Q. Now, here it states: Minutes of the meeting of</p> <p>3 the board of directors of the Company held via</p> <p>4 teleconference on the 17th day of December 2018 at</p> <p>5 1:00 p.m. And then it lists who was in attendance:</p> <p>6 Damien Austin, Director.</p> <p>7 Do you -- do you know Mr. Austin?</p> <p>8 <b>A. I know of him.</b></p> <p>9 Q. And were you aware that he was a director at the</p> <p>10 time of Sentinel in -- in December of 2018?</p> <p>11 <b>A. Yes, I would have been aware in 2018 that he was</b></p> <p>12 <b>a director.</b></p> <p>13 Q. And then Jan Neveril, who we've talked about;</p> <p>14 Matt DiOrio is listed as a director there.</p> <p>15 You see that?</p> <p>16 <b>A. I see it.</b></p> <p>17 Q. And Dilip Massand is listed as a director. And</p> <p>18 he was the one in the UAE, right?</p> <p>19 <b>A. Yes. He was based out of the UAE.</b></p> <p>20 Q. And then it appears that you and Mr. Sevilla</p> <p>21 attended on behalf of SAS Asset Recovery, Ltd.</p> <p>22 You see that?</p> <p>23 <b>A. I see that.</b></p> <p>24 Q. And then three individuals from Beecher Carlson;</p> <p>25 is that right?</p>	383	<p>1 August 2016 and 8th of December 2017 be and hereby are</p> <p>2 approved.</p> <p>3 See where I'm reading?</p> <p>4 <b>A. I do.</b></p> <p>5 Q. And then it states: The Unanimous Written</p> <p>6 Resolutions dated 6 October 2016, 26 June 2017, and it</p> <p>7 lists a number of other dates, and says: Were provided</p> <p>8 with the board materials for Director review.</p> <p>9 You see that?</p> <p>10 <b>A. I see it here.</b></p> <p>11 Q. Do you know whether you received those materials?</p> <p>12 <b>A. No idea.</b></p> <p>13 Q. Do you have any idea of what it's referring to?</p> <p>14 <b>A. I don't know.</b></p> <p>15 Q. Now, during this board meeting, is it your</p> <p>16 testimony that you recall nothing about this board meeting</p> <p>17 whatsoever?</p> <p>18 <b>A. I don't recall this board meeting specifically,</b></p> <p>19 <b>no.</b></p> <p>20 Q. On Number 4 on page 2, states that: The</p> <p>21 Directors briefly discussed recent updates issued in the</p> <p>22 Guidance Notes by the Cayman Islands Monetary Authority</p> <p>23 related to AML/Compliance matters.</p> <p>24 Do you recall that being discussed at all?</p> <p>25 <b>A. No.</b></p>
382	<p>1 <b>A. I see that, uh-huh.</b></p> <p>2 Q. Do you recall attending this board of directors</p> <p>3 meeting?</p> <p>4 <b>A. No.</b></p> <p>5 Q. Do you recall attending any other board of</p> <p>6 director meetings?</p> <p>7 <b>A. No, I don't recall.</b></p> <p>8 Q. Do you have any knowledge of why it was</p> <p>9 listing -- after you and Mr. Sevilla was listed -- listing</p> <p>10 SAS Asset Recovery, Ltd. as the entity on whose behalf you</p> <p>11 were attending?</p> <p>12 MS. SMITH: Objection, form.</p> <p>13 THE WITNESS: I don't know.</p> <p>14 BY MR. BURT:</p> <p>15 Q. Do you know who would have prepared these</p> <p>16 minutes?</p> <p>17 <b>A. I don't know.</b></p> <p>18 Q. Do you know how frequently the board of directors</p> <p>19 of Sentinel met?</p> <p>20 <b>A. No, I don't know.</b></p> <p>21 Q. Number 3 here, it states: The Directors reviewed</p> <p>22 the prior Board of Directors Meeting Minutes and Unanimous</p> <p>23 Written Resolutions since the 27th of October 2014 and</p> <p>24 following a brief discussion it was resolved that, (a) the</p> <p>25 Board of Directors Meeting Minutes of the 4th of</p>	384	<p>1 Q. All right. When -- you can set that aside.</p> <p>2 Going back to the post bankruptcy period at</p> <p>3 HCMLP, do you recall the independent board ever asking any</p> <p>4 questions about Sentinel?</p> <p>5 <b>A. I don't remember.</b></p> <p>6 MS. SMITH: Objection to form.</p> <p>7 BY MR. BURT:</p> <p>8 Q. How about any questions about the Greenbriar CLO?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 THE WITNESS: I don't know.</p> <p>11 BY MR. BURT:</p> <p>12 Q. Okay.</p> <p>13 MR. BURT: I think we are almost done. Can</p> <p>14 I have three minutes off the record just to check my</p> <p>15 notes? We'll come back and I think we're -- we can wrap</p> <p>16 it up.</p> <p>17 THE WITNESS: Okay.</p> <p>18 THE VIDEOGRAPHER: We are off record at 6:55</p> <p>19 p.m.</p> <p>20 (Brief recess taken.)</p> <p>21 THE VIDEOGRAPHER: We are back on record at</p> <p>22 7:02 p.m.</p> <p>23 BY MR. BURT:</p> <p>24 Q. If you could -- and, I apologize, one exhibit we</p> <p>25 looked at earlier, I just do have a follow-up question.</p>

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385	<p>1 It was Exhibit 104 in your pile.</p> <p>2 And this was -- it begins with an e-mail</p> <p>3 exchange, and it had the attachment we looked at with the</p> <p>4 Dondero/Patton/Ellington/Nimitz percentages, do you recall</p> <p>5 that, a few hours ago?</p> <p>6 <b>A. Was it something prepared by Beecher?</b></p> <p>7 Q. That was prepared by Beecher, but there's an</p> <p>8 e-mail that begins the exhibit --</p> <p>9 <b>A. Okay. Hold on.</b></p> <p>10 Q. -- Exhibit 104.</p> <p>11 <b>A. I don't have a very good system going on over</b></p> <p>12 <b>here.</b></p> <p>13 MR. BURT: There it is.</p> <p>14 THE WITNESS: Oh, got it.</p> <p>15 BY MR. BURT:</p> <p>16 Q. Okay. So I -- there is -- there's an e-mail here</p> <p>17 in the middle from Matt DiOrio on October 2nd, 2018, to</p> <p>18 Jonathan Arbeit and Alli Devins both at Beecher Carlson,</p> <p>19 cc'ing Mr. Adamczak and yourself,</p> <p>20 katieirving@sasmanagement.</p> <p>21 And Mr. DiOrio -- do you see where I'm</p> <p>22 reading --</p> <p>23 <b>A. I do.</b></p> <p>24 Q. -- there?</p> <p>25 Mr. DiOrio writes: Thanks, Jon. Very</p>	387	<p>1 to provide on the capital rebalancing.</p> <p>2 Do you know what he is referring to there?</p> <p>3 <b>A. I don't remember.</b></p> <p>4 Q. Were you involved at all with capital rebalancing</p> <p>5 at Sentinel?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 THE WITNESS: I don't -- I don't remember.</p> <p>8 BY MR. BURT:</p> <p>9 Q. We've talked about how you were part of the --</p> <p>10 the struc- -- working on the structure and liquidating</p> <p>11 certain entities and streamlining it for CIMA, right?</p> <p>12 <b>A. Yes.</b></p> <p>13 Q. Did that involve capital rebalancing?</p> <p>14 <b>A. I don't remember.</b></p> <p>15 Q. Do you remember whether you provided any</p> <p>16 additional color to CIMA -- or -- excuse me -- to Beecher</p> <p>17 Carlson on capital rebalancing?</p> <p>18 <b>A. I don't remember. Capital rebalancing is</b></p> <p>19 <b>something Beecher would have handled. I don't know what</b></p> <p>20 <b>it is.</b></p> <p>21 Q. You didn't -- you don't -- you didn't have any</p> <p>22 discussions with Beecher about capital rebalancing; is</p> <p>23 that right?</p> <p>24 <b>A. Not that I recall. Not that I recall. I don't</b></p> <p>25 <b>know.</b></p>
386	<p>1 helpful. We are definitely aware of the cash need by</p> <p>2 year-end and will not be entertaining any dividend</p> <p>3 issuance while the ATE policy is active.</p> <p>4 Now, are you aware of that -- what do you</p> <p>5 know about that policy at Sentinel that there would be no</p> <p>6 dividend issuance while the ATE policy is active?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 THE WITNESS: Yeah. I don't understand what</p> <p>9 you're asking.</p> <p>10 BY MR. BURT:</p> <p>11 Q. So I -- I'm just asking about what he writes</p> <p>12 here, that -- Mr. DiOrio writes that there would be no</p> <p>13 dividend issuance at Sentinel while the ATE policy is</p> <p>14 active.</p> <p>15 What do you know about that?</p> <p>16 <b>A. I don't, other than he -- he is making that</b></p> <p>17 <b>statement to Beecher, and I'm copied.</b></p> <p>18 Q. You don't recall that e-mail at all?</p> <p>19 <b>A. I don't.</b></p> <p>20 Q. You don't recall that being a policy at all, that</p> <p>21 Sentinel was not going to be making any dividends while</p> <p>22 the ATE policy was active?</p> <p>23 <b>A. I don't recall, no.</b></p> <p>24 Q. He then writes: I've copied Katie -- Katie</p> <p>25 Irving in here as well who may have some additional color</p>	388	<p>1 Q. Do you recall -- at Sentinel, was it -- was it a</p> <p>2 concern that -- about the amount of cash on hand that</p> <p>3 Sentinel needed to have in order to -- in order to</p> <p>4 justify, you know, their reserve requirements as an</p> <p>5 insurance company?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 THE WITNESS: Was who concerned with that?</p> <p>8 BY MR. BURT:</p> <p>9 Q. The individuals associated with Sentinel,</p> <p>10 Mr. DiOrio or yourself. Was that a concern that you were</p> <p>11 -- that you discussed or were aware of?</p> <p>12 MS. SMITH: Objection to form.</p> <p>13 THE WITNESS: I believe I was aware that</p> <p>14 CIMA had certain requirements related to cash reserves.</p> <p>15 It's complex related to the insurance business.</p> <p>16 BY MR. BURT:</p> <p>17 Q. And was there a concern that Sentinel did not</p> <p>18 have enough cash at times to meet those requirements?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 THE WITNESS: Not that I recall.</p> <p>21 BY MR. BURT:</p> <p>22 Q. Did you ever work on getting cash infusions into</p> <p>23 Sentinel in order to meet the reserves?</p> <p>24 <b>A. Not that I recall.</b></p> <p>25 Q. Okay. Now, just a few final, sort of, broad</p>



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389	1 questions. We've -- obviously, we've talked a lot about 2 Sentinel today. 3 Is there anything related to Sentinel that 4 we didn't discuss today that you know about that you think 5 might be important for us to know? 6 MS. SMITH: Objection to form. 7 THE WITNESS: Not that I can think of. 8 BY MR. BURT: 9 Q. So as far as you're concerned, we have covered 10 all the topics about Sentinel, that you're aware of? 11 MS. SMITH: Objection to form. 12 THE WITNESS: I don't know how I can say 13 that we've covered all the topics. 14 BY MR. BURT: 15 Q. Well, I just want to make sure that -- all the 16 facts that you know about Sentinel that we've asked about 17 them today. 18 Is there any other facts about Sentinel, 19 that you're aware of, that I haven't asked about today? 20 MS. SMITH: Objection to form. 21 THE WITNESS: I don't know how to answer 22 that. 23 BY MR. BURT: 24 Q. Okay. Well, regarding your knowledge about 25 Sentinel and its provision of the ATE policy in this case	391	1 nothing missing that you would want to be clear about 2 Sentinel or the ATE policy later on that we haven't asked 3 about today? 4 MS. SMITH: Objection to form. 5 THE WITNESS: I feel like I keep giving you 6 the same answer: No, I can't think of anything. 7 MR. BURT: Okay. All right. We pass the 8 witness. 9 MS. SMITH: Done. 10 THE VIDEOGRAPHER: We are off the record at 11 7:10 p.m. 12 (Deposition concluded at 7:10 p.m.) 13 14 15 16 17 18 19 20 21 22 23 24 25
390	1 that we've talked about today, are there any other facts 2 pertaining to that -- to Sentinel in that policy that we 3 have not discussed, that you're aware of, today? 4 MS. SMITH: Objection to form. 5 THE WITNESS: Not that I can think of. 6 BY MR. BURT: 7 Q. So in order to provide a complete -- a complete 8 explanation of your understanding of Sentinel, you feel 9 like we've covered everything that you know about Sentinel 10 and the ATE policy; is that correct? 11 <b>A. I feel like you're asking me the same question</b> 12 <b>over and over again.</b> 13 Q. Would you answer the question, please? 14 <b>A. I don't -- I can't think of anything else that --</b> 15 <b>right now.</b> 16 Q. Okay. Is there a reason why you can't think of 17 anything else? 18 MS. SMITH: Objection to form. 19 THE WITNESS: I just can't think of anything 20 else. 21 BY MR. BURT: 22 Q. Okay. Too many facts out there, and you can't 23 think of anything that we might not have covered? 24 <b>A. You've covered a lot.</b> 25 Q. I understand. I just want to make sure there's	392	1 IN THE UNITED STATES BANKRUPTCY COURT 2 FOR THE NORTHERN DISTRICT OF TEXAS 3 DALLAS DIVISION 4 ----- 5 IN RE: § Chapter 11 6 § 7 HIGHLAND CAPITAL § MANAGEMENT, L.P., § Case No. 19-34054-SGJ11 8 § Debtor. § 9 ----- 10 UBS SECURITIES LLC AND § UBS AG LONDON BRANCH, § 11 § § 12 § Adversary Proceeding § No. 21-03020-sgj Plaintiffs, § 13 § 14 vs. § § 15 HIGHLAND CAPITAL § MANAGEMENT, L.P., § 16 § Defendant. § 17 ----- 18 REPORTER'S CERTIFICATION ORAL & VIDEOTAPED DEPOSITION OF 19 KATIE LUCAS IRVING MONDAY, NOVEMBER 15, 2021 20 21 I, Kari J. Behan, CSR, RPR, CRR, and in and for the State of Texas, do hereby certify that the facts as stated by me in the caption hereto are true; 22 23 That there came before me the aforementioned named person, who was by me duly sworn to testify the truth concerning the matters in controversy in this cause; 24 25 And that the examination was reduced to writing by computer transcription under my supervision; that the deposition is a true record of the testimony given by the

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1 witness.

2 I further certify that I am neither attorney or  
3 counsel for, nor related to or employed by, any of the  
4 parties to the action in which this deposition is taken,  
5 and further that I am not a relative or employee of any  
6 attorney or counsel employed by the parties hereto, or  
7 financially interested in the action.

8  
9 Given under my hand and seal of office on the 23rd of  
10 November, 2021.

11  
12   
13 KARI BEHAN, CSR, CCR, RPR, CRR  
14 Texas CSR NO. 8564  
15 Expiration Date: 7-31-2022  
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